

*State of New York Elderly
Pharmaceutical Insurance Coverage
Program*

EPIC Annual Report

To the Governor
& Legislature

October 2002 — September 2003

*"We're proud that our EPIC program has made
New York a national leader in helping seniors
afford prescription drugs and giving them access
to the medications they need to stay healthy and
live longer, happier lives,"*

Governor George E. Pataki

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EXECUTIVE SUMMARY

Thank you, thank you, thank you! After spending hundreds of dollars each month for prescriptions, my mother can now receive drugs from EPIC to treat her growing senility. They enable both of us to have a better quality of life.

*Ms. W.
Freeport, NY*

The Elderly Pharmaceutical Insurance Coverage (EPIC) Program provides affordable pharmaceutical insurance coverage to approximately 325,000 New York State seniors. Since 1987, EPIC has helped 625,000 seniors save over \$2.3 billion. Chapter 57 of the Laws of 2000 expanded the income eligibility for the program, and lowered the fees and co-payments, enabling many more seniors to qualify for and benefit from the program. As a result, EPIC enrollment has expanded to its current level, exceeding expectations. This year, enrollees saved an average of over \$2,000 on their prescriptions that cost a total of \$2,600.

This Annual Report evaluates the sixteenth year of program operations. The report contains information on application and enrollment activities, program and drug costs, and drug utilization for the program year October 2002 through September 2003. Updates on operational activities are also included, highlighting accomplishments in the contract management, outreach, pharmacy audits, and manufacturer rebate areas.

Section I: Enrollment Levels

Enrollment continues to increase significantly, rising by more than ten percent to 324,646 seniors as of September 2003. Increased enrollment in the program was primarily influenced by the program enhancements and the increased need for affordable prescription coverage. Enhanced outreach efforts focused on community-based activities and networking opportunities to increase program awareness and educate seniors about the improved EPIC benefits.

More than 76,500 new applications were received from seniors during the program year, which resulted in enrollment of approximately 246,000 seniors in the Fee Plan and 79,000 seniors in the Deductible Plan.

Since the implementation of the program expansion, the demographics of the EPIC population have been changing. The average income for an enrollee increased to over \$17,000, more men joined the program, and the number of married seniors enrolled increased. Also, more seniors are using EPIC to supplement their other prescription coverage.

Section II: Drug Cost Trends

During the program year, more than 325,000 participants purchased almost 10 million prescriptions costing \$734.8 million. Seniors saved \$579.9 million on prescriptions by using EPIC benefits. The net State cost was \$418.9 million after participant fees and manufacturers' rebates were deducted. Since June 15, 2003, the change in pharmacy reimbursement reduced EPIC expenditures by \$3.7 million. Seniors in the Fee Plan purchased 7.8 million prescriptions

and accounted for almost 85 percent of EPIC expenditures. Seniors in the Deductible Plan purchased 2.1 million prescriptions and accounted for 15 percent of EPIC expenditures.

This year, seniors enrolled in EPIC purchased an average of 35 prescriptions per year at a cost of \$2,619. Seniors saved an average of \$2,083 after co-payments and deductibles. Fee Plan participants used an average of \$2,623 in medications and saved \$2,205. Deductible Plan seniors purchased \$2,603 in prescriptions, and saved \$1,597. A typical senior's out-of-pocket cost was limited to \$626.

Approximately 59 percent of new Deductible enrollees reached their deductible, and did so within an average of slightly over four months. The average senior in the Deductible Plan who reached their deductible used 44 prescriptions per year, saved \$2,057 and had an average drug cost of \$3,299.

Largely due to the increased enrollment this year, the total cost of prescriptions increased by \$146 million, or 25 percent, over the prior program year. Approximately 38,000 more seniors used the program this year than last, and they were enrolled for a longer duration. In addition, the average prescription cost increased by eight percent from \$69.98 to \$75.59. This increase was tempered by a reduction in the pharmacy reimbursement level effective June 15, 2003.

The State share was 57 percent of total prescription costs. Twenty-four percent of the costs were paid by the participant fees, co-payments and deductibles; and 19 percent were paid by rebates from pharmaceutical manufacturers. Due to changes in the co-payment schedule effective January 2001, the total State share on co-payment claims increased from 83 to 84 percent.

EPIC expenditures were largely driven by a subset of the population that used expensive drugs or a high number of prescriptions. Nineteen percent of enrollees had drug costs that exceeded \$4,000, and their prescription costs accounted for 45 percent of EPIC expenditures. Twenty-two percent of the prescriptions purchased cost more than \$100, over two times the amount reported six years ago.

Section III: Reviewing Utilization

As EPIC participants age, the number of chronic medical conditions increase and many seniors need more medications to stay healthy. The EPIC population primarily uses drugs to treat heart disease, cancer, diabetes, arthritis, and gastro-intestinal conditions.

Over 4.1 million prescriptions for generic medications were purchased during the program year. The substitution rate for drugs having a generic alternative was 80 percent, which is comparable to programs with strong generic incentives. Program expenditures directly correlate to the high utilization of brand name drugs that are available from only one manufacturer. A total of 47 percent of the drugs purchased were sole source medications, one percent greater than last year. Sole source products accounted for 76 percent of the total cost of EPIC prescriptions.

Seniors with multiple medical conditions are at increased risk of adverse reactions when additional medication is consumed. To improve outcomes and minimize potential problems,

EPIC operates a therapeutic drug monitoring program designed to ensure that enrollees receive appropriate drug therapy. A prospective review system sends electronic alerts to pharmacists warning them of potentially serious problems prior to dispensing the medication. Over 421,403 prescriptions were suspended for review by the dispensing pharmacist during the program year, of which 54 percent were not filled. This intervention prevented possible adverse consequences from occurring, and saved \$5.2 million on the prescriptions not filled.

Retrospective reviews of the medication history of enrollees are also performed by EPIC pharmacists using established clinical criteria. During the year, approximately 9,000 clinical reviews were completed. Informational letters were sent to prescribers on behalf of 1,156 participants identified at risk for potential drug interactions, duplicative therapies, and overuse.

Section IV: Program Operations

Community-based outreach was the cornerstone of the year's outreach plan. More than 350 information, enrollment and training sessions were held in community-based settings and outreach participated in more than 200 senior, county and community fairs. EPIC was invited to attend many local events sponsored by ethnic and minority communities and it pursued many new partnerships that were instrumental in achieving this year's goals. Outreach worked closely with the State and local offices for the aging, including New York City, as well as numerous business and community-based organizations. These efforts significantly increased program visibility and generated interest in the program. In addition, the program distributed over 800,000 brochures to pharmacies, legislators, local offices for the aging, physicians, senior centers, health facilities and other organizations that serve seniors and their families.

As required by EPIC legislation, a fiscal agent contractor operates specific functions of the program. A reprocurement of the contract was completed during the program year that resulted in the selection of the incumbent First Health Services Corporation for another five-year contract. During the program year, State staff routinely monitored the operational activities performed by First Health to ensure that quality services were provided to seniors and pharmacies and satisfied EPIC requirements. This year, the contractor demonstrated competence in the administration of daily program operations, and effectively handled the expanded operational activities that resulted from the increased enrollment levels.

During the program year, 104 pharmacy audits were completed and approximately \$187,000 inappropriate payments recovered from audited pharmacies. Through the Verification of Benefits (VOB) process that was implemented last year, statements were mailed to 36,000 participants of which 89 percent were returned to EPIC. A total of \$16,000 in payment recoveries were collected from pharmacies after enrollees questioned the validity of some claims shown on their VOB statements.

This year, a total of \$139.2 million in rebate revenues were collected by the program and applied toward the cost of participant benefits.

I. ENROLLMENT LEVELS

Thank you for the EPIC program since our income is limited. We have always received good service and have not had any problems.

*Ms. M.
Brooklyn*

Introduction

During the program year, EPIC enrollment increased by more than ten percent with nearly 325,000 resident New York State seniors enrolled in the program by year end. EPIC enrollment has increased a total 160 percent since the program expansion in January 2001. The following narrative evaluates the continuing effect of the expansion on application and enrollment processing during this program year.

EPIC Program Description

The EPIC program completed its sixteenth year of operation on September 30, 2003. EPIC helps low and moderate income senior citizens pay for their prescription drugs, saving them approximately 80 percent on their medications. Since the program began in 1987, EPIC has provided prescription coverage to more than 625,000 seniors who saved more than \$2.3 billion on the cost of their drugs.

EPIC is available to residents of New York State who are 65 years of age or older and meet the income eligibility requirements. Legislation implemented in January 1, 2001, expanded the program's income limits to \$35,000 for single seniors and \$50,000 for married individuals. Seniors are not eligible for EPIC if they receive full Medicaid benefits, or have other prescription insurance that provides equal or better benefits than the EPIC program. However, seniors with other coverage can join EPIC after exhausting their other benefit until their other prescription plan resumes coverage.

EPIC has two programs. The Fee Plan is for seniors with lower incomes who pay an annual fee to receive benefits. The fees range from \$8 to \$300 per person depending on income and marital status. The Deductible Plan is designed for seniors with higher incomes. Instead of paying a fee, they must meet an annual deductible before they receive the benefit of paying only a co-payment for their prescriptions. The deductible amounts range from \$530 to \$1,715 per person, and are also based on income level and marital status. Co-payments for the program range from \$3 to \$20, depending on the cost of the prescription. Seniors never pay more than a \$20 co-payment, regardless of the cost of the drug. Total co-payments are limited to an annual amount. This co-payment maximum correlates to income and provides further protection to enrollees with high prescription costs. Once participants meet their co-payment maximum, EPIC pays the full cost of their prescriptions for the remainder of their coverage year. As a result, total out-of-pocket expenditures are limited to approximately eight percent of a participant's annual income.

More than 4,000 New York State pharmacies participate in the EPIC program. EPIC covers most prescription medications, as well as insulin and insulin syringes. Seniors can purchase either brand or generic drugs, and the greater of a thirty-day supply or 100 tablets or capsules.

Seniors Applying for EPIC

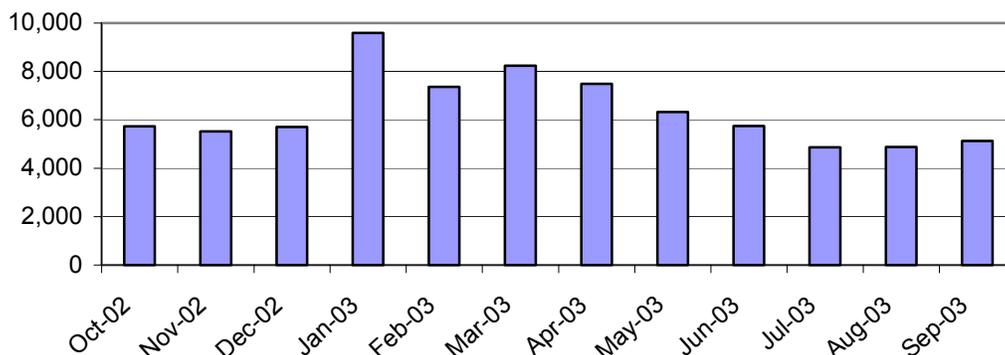
A total of 76,548 seniors applied for EPIC coverage during the program year. The number of applications declined by 17 percent from the previous year. However, application activity remains steady and the level is almost twice the annual number of applications received before the program expansion. Nearly 285,000 seniors applied to the EPIC program since the income limits were increased in 2001. EPIC outreach staff continues to promote the program across the State by conducting training, enrollment and informational sessions. Application and enrollment activity by county appears in Table I of the Appendix.

**FIGURE 1
ANNUAL APPLICATION ACTIVITY**

Program Year	Applications Received	Change From Previous Year	% Change From Previous Year
1996-97	19,457	(1,222)	-6.3%
1997-98	24,648	5,191	+26.7%
1998-99	36,481	11,833	+48.0%
1999-00	40,447	3,966	+10.9%
2000-01	116,118	75,671	+187.1%
2001-02	92,227	(23,891)	-20.6%
2002-03	76,548	(15,679)	-17.0%

Figure 2 displays the number of seniors that applied each month for EPIC benefits. Application processing ranged from 4,800 to 9,600 applications each month. Application activity was intense during the period January through April 2003 when the number of applications received averaged more than 8,000 per month. Many seniors joined EPIC at this time because their other prescription insurance benefits were reduced or eliminated.

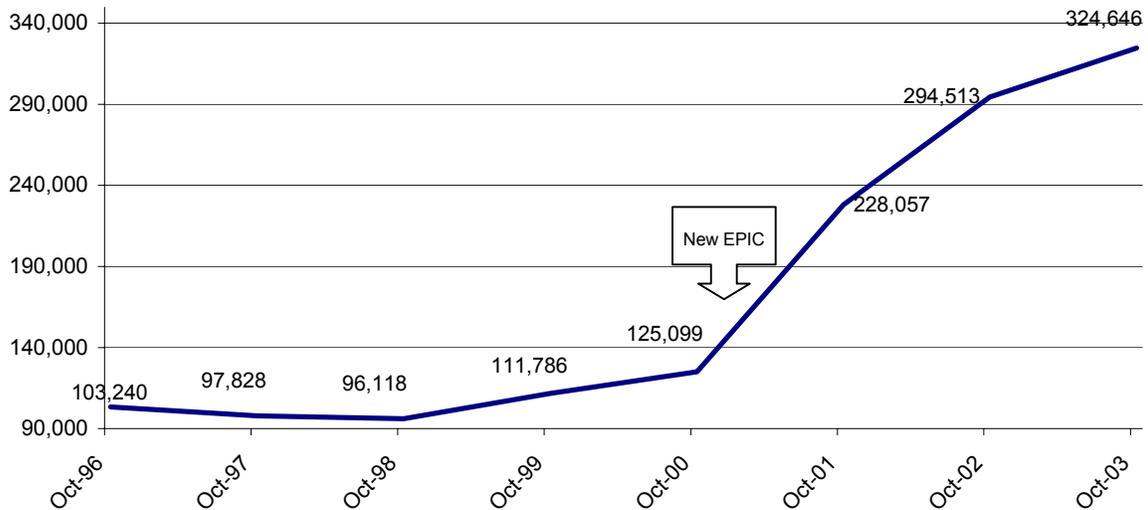
**FIGURE 2
MONTHLY APPLICATION LEVELS**



Changes in Enrollment

By the end of the program year, there were 324,646 seniors enrolled in EPIC. Enrollment increased steadily by an average of 2,500 enrollees per month. The changes in enrollment over the last seven program years are depicted in Figure 3.

**FIGURE 3
ENROLLMENT TREND**



A total of 30,133 additional seniors joined the program during the year. Figure 4 reflects the change in enrollment over the past seven years. Table II in the Appendix displays the changes in enrollment by county.

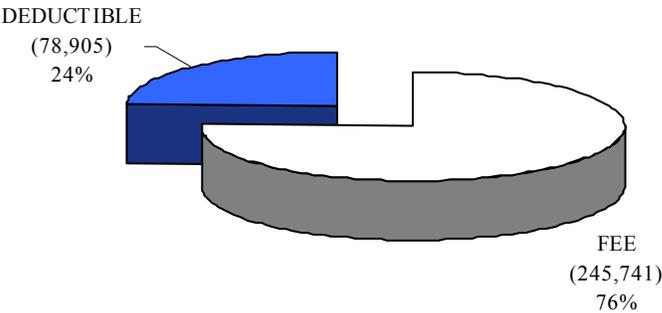
**FIGURE 4
ANNUAL ENROLLMENT CHANGES**

Program Year	Enrollment at End of Year	Change From Previous Year	% Change From Previous Year
1996-97	97,828	(5,412)	- 5.2%
1997-98	96,118	(1,710)	- 1.7%
1998-99	111,786	15,668	+ 16.3%
1999-00	125,099	13,313	+ 11.9%
2000-01	228,057	102,958	+ 82.3%
2001-02	294,513	66,456	+ 29.1%
2002-03	324,646	30,133	+ 10.2%

Enrollment by Plan Type

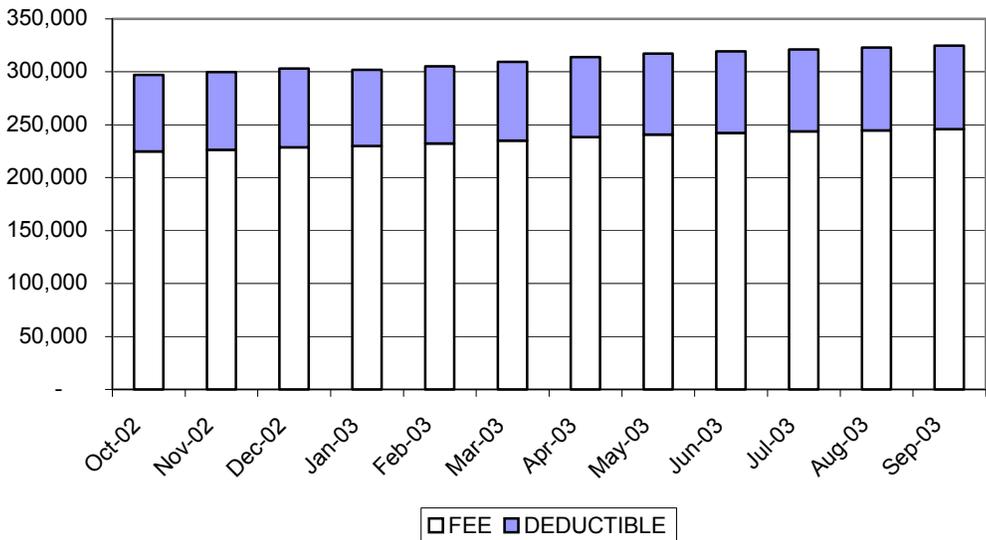
Figure 5 shows the breakdown of EPIC enrollees by plan type. A total of 76 percent (245,741) of enrollees were enrolled in the Fee Plan and 24 percent (78,905) were enrolled in the Deductible Plan at the end of the program year. This is consistent with the percentages reflected in the previous program year.

**FIGURE 5
ENROLLMENT BY PLAN TYPE**
As of September 30, 2003



This program year 22,101 seniors joined the Fee Plan and 8,032 seniors joined the Deductible Plan. Fee Plan enrollment increased by 10 percent, and enrollment in the Deductible Plan increased by 11 percent. Figure 6 displays the increase in monthly enrollment by plan type, which was consistent throughout the year.

**FIGURE 6
MONTHLY ENROLLMENT
BY PLAN TYPE**



Portrait of EPIC Enrollees

EPIC enrollee demographics have stabilized since the program expansion. The average income of an EPIC enrollee rose slightly to \$17,697 from last year. More seniors are joining the program with higher incomes. The average EPIC enrollee is a 78 year old widowed female. The number of EPIC enrollees from diverse ethnic populations increased one percent this year. This reflects targeted outreach initiatives to minority populations. Figure 7 depicts the impact of the program changes on EPIC enrollee demographics.

**FIGURE 7
PORTRAIT OF EPIC ENROLLEES
BY PROGRAM YEAR**

	<i>1999-00</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>
Average Income	\$10,759	\$15,705	\$17,214	\$17,697
Female	79%	74%	73%	73%
Single	77%	67%	66%	66%
Average Age	79	78	78	78
Deductible Enrollment	4%	20%	24%	24%
Fee Enrollment	96%	80%	76%	76%
Minorities	11%	11%	12%	13%

Seniors with Other Insurance

The rising cost of drugs and expensive new therapies makes it increasingly difficult for seniors to pay for their prescription medication, and EPIC provides an affordable option for them. Many private insurers have reduced prescription benefits for their enrollees or have imposed formulary restrictions. Over the past few years, many seniors have used EPIC to supplement their private prescription insurance coverage. Seniors may enroll in the program if their other prescription insurance has lesser benefits than EPIC provides. Seniors with dual coverage are educated by the program to use their primary insurance coverage first, and their EPIC coverage second, because EPIC is always the payer of last resort. The coordination of benefits with the primary insurer frequently results in lower EPIC co-payments for the senior.

Seniors with other insurance that provides better coverage than EPIC are only eligible to enroll in the program after they have reached their annual benefit limit with their primary insurer. This year, only one other private insurer provided better prescription coverage than EPIC.

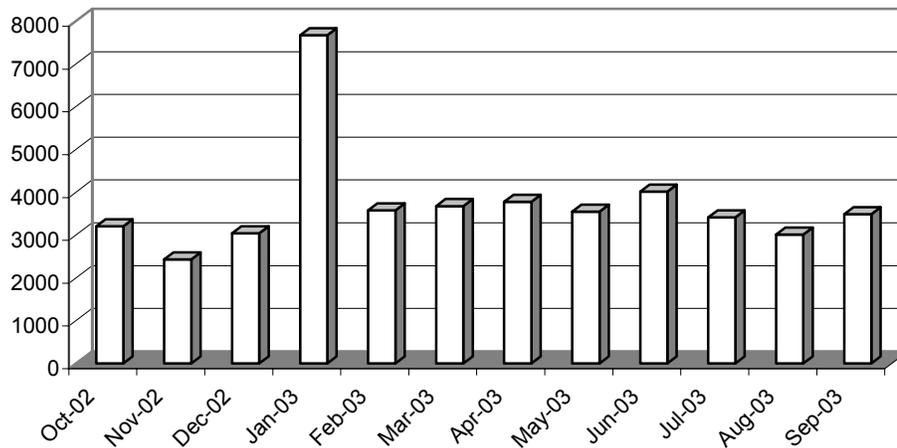
By the end of the program year, a total of 59,000 seniors (18 percent) with other prescription insurance coverage were also enrolled in EPIC. During the year, 133,459 claims were billed to EPIC as the secondary payer. The primary prescription insurance plans paid \$4.2 million on those claims, saving EPIC an average of \$31.76 per claim. The average savings to EPIC per senior who used their other prescription insurance was \$378. EPIC continues to educate providers and participants to bill all primary insurances first and then bill EPIC. The implementation of enhanced claims processing telecommunication standards mandated for

HIPAA compliance by October 1, 2003 makes it easier for pharmacies to bill other prescription insurance plans as primary and then EPIC as a secondary payer.

Changes in Cancellation Rate

A total of 44,848 enrollees had their coverage cancelled (54%), denied (15%), or let their benefits lapse during the renewal process (31%). Seniors who cancelled from the program represented about 14 percent of those who used EPIC. The most common reasons for cancellation were death (28 percent), non-payment (17 percent), Medicaid or other insurance (12 percent). The high volume of cancellations recorded in January is due to seniors who have other insurance coverage that is resuming at the start of the year.

**FIGURE 8
MONTHLY CANCELLATIONS, DENIALS AND LAPSES**



II. DRUG COST TRENDS

Thank you for this program. If it wasn't for EPIC, I could not pay for all the medicines I have to take every day.

*Ms. W.
Watertown, NY*

Introduction

EPIC costs continue to be influenced by increased enrollment and higher drug prices, which resulted in net State costs increasing \$73.6 million when compared to the previous program year. Over 325,000 seniors used EPIC to purchase almost 10 million prescriptions. The average cost of a prescription increased by eight percent. The increase would have been higher, but it was reduced by a legislative change in the EPIC reimbursement methodology that was effective June 15, 2003. The reimbursement was modified to use Average Wholesale Price (AWP) minus 12 percent on brand name drugs and generics drugs without a Federal Upper Limit (FUL) price, compared to the previous allowance of AWP minus 10 percent. This section focuses on the cost of prescription drugs during the program year.

Summary of Costs

More than 325,000 seniors used EPIC during the program year, purchasing nearly ten million prescriptions at a cost of \$734.8 million. By using EPIC, seniors saved nearly \$579.9 million at the pharmacy. After deducting participant fees and manufacturers' rebates, the net cost to the State was \$418.9 million. Figure 9 contains a summary of this year's program statistics.

**FIGURE 9
PROGRAM SUMMARY STATISTICS**

Enrollment as of September 30, 2003	324,646
Seniors Active during Year	325,212
Prescriptions Purchased	9,941,947
Total Cost of Drugs	\$734.8M
Total EPIC Payments	\$579.9M
Fees Paid by Seniors	\$21.8M
Rebates By Manufacturers	\$139.2M
Net State Costs	\$418.9M

Figure 10 reviews the program statistics by plan type and compares enrollment percentages and drug costs between the Fee and Deductible Plans. Seniors in the Fee Plan use EPIC more than those in the Deductible Plan since the Deductible Plan attracts many seniors with little or no drug costs who use EPIC as a risk-free safety net in case they need medication in the future. More than 257,000 seniors in the Fee Plan purchased 7.8 million prescriptions, and 68,000 seniors in the Deductible Plan purchased 2.1 million prescriptions. Deductible Plan enrollees accounted for 21 percent of the prescriptions purchased, yet only 15 percent of total

EPIC expenditures. This is the result of Deductible enrollees having to pay for their own drug costs, up to approximately three percent of their incomes, in the form of a deductible before they begin to pay only the EPIC co-payment to purchase their prescriptions.

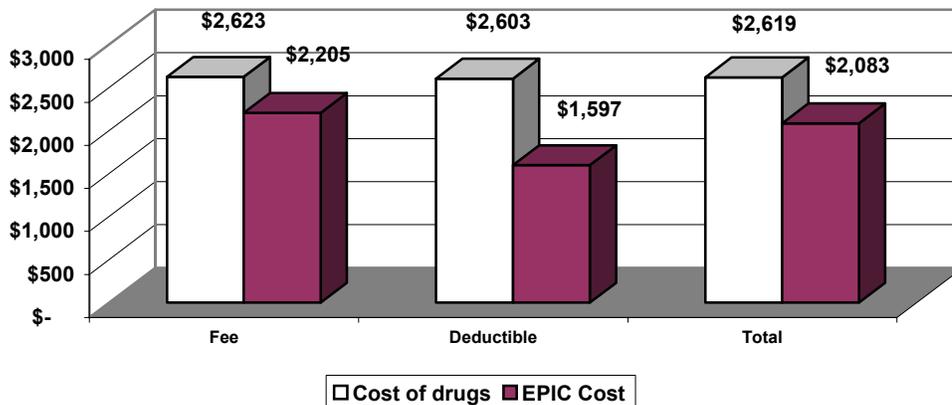
**FIGURE 10
PROGRAM SUMMARY STATISTICS
BY PLAN TYPE**

	<i>FEE</i>		<i>DEDUCTIBLE</i>		<i>TOTAL</i>
	<i>Number</i>	<i>Percent of Total</i>	<i>Number</i>	<i>Percent of Total</i>	
Enrollment as of 9/30/2003	245,741	76%	78,905	24%	324,646
Seniors Active During Year	257,212	79%	68,000	21%	325,212
Prescriptions Purchased	7.8 M	79%	2.1 M	21%	9.9 M
Total Cost of Prescriptions	\$ 585.3 M	80%	\$149.5 M	20%	\$734.8 M
Total Payments to Pharmacies	\$ 492.4 M	85%	\$ 87.5 M	15%	\$579.9 M

Average Cost of Drugs

The average EPIC enrollee who received benefits for a full program year purchased 35 prescriptions at a cost of \$2,619. After paying EPIC co-payments and deductibles, these seniors saved an average of \$2,083. The average total drug cost for a senior in the Deductible Plan was \$2,603, slightly lower than \$2,623 for a senior in the Fee Plan. Seniors in the Deductible Plan saved \$600 less than seniors in the Fee Plan, \$1,597 versus \$2,205, respectively. This is attributable to Deductible Plan enrollees having higher out-of-pocket costs based on their income, which includes an average annual deductible of \$879. Fee Plan seniors pay an average annual fee of \$90 and receive immediate benefits. Figure 11 reflects drug costs and savings by plan.

**FIGURE 11
EPIC AVERAGE COST OF DRUGS AND SAVINGS
BY PROGRAM TYPE**



Nearly 59 percent of EPIC Deductible Plan participants reach their annual deductible limit. This is a high number of seniors considering that 15 percent of Deductible enrollees had no prescription purchases. Seniors who reach their deductible, on average, purchase 44 prescriptions at a cost of \$3,299. It takes these enrollees slightly over four months to reach their average annual deductible of \$820, and they save \$2,057 on the cost of their medications. Seniors with higher annual deductibles take almost twice as long (6 months) to reach their annual deductible compared to seniors having lower deductibles (3.5 months).

EPIC seniors' out-of-pocket costs averaged \$626 which included fees, deductibles and co-payments paid during the program year. This is 24 percent of \$2,619 which is the average total cost of drugs. Figure 12 illustrates that enrollee out-of-pocket expenses remained fairly consistent throughout the years. The average participant's expenditures increased by a modest \$27 since the 1996-1997 program year. However, the total cost of drugs has increased over \$1,000 during this same period.

**FIGURE 12
PARTICIPANT COST SHARE**

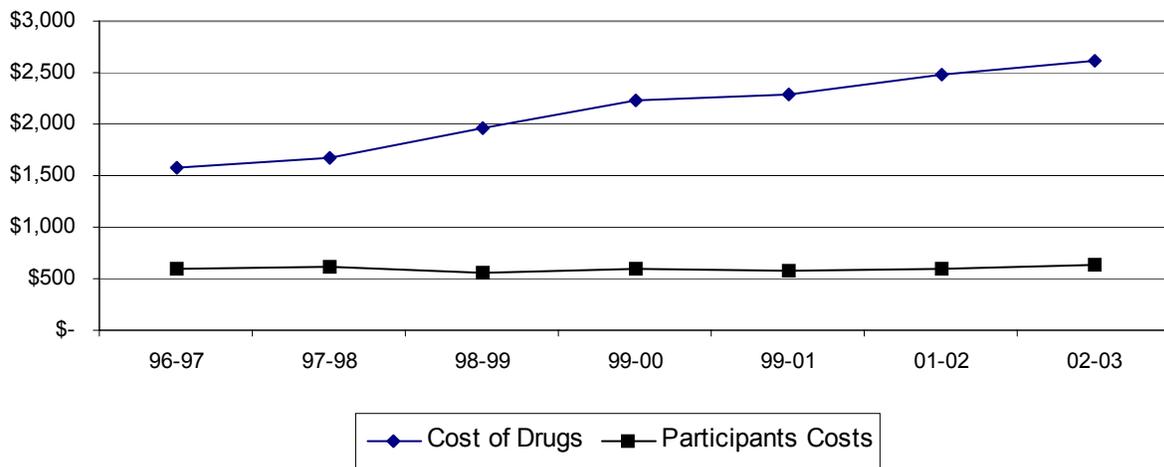
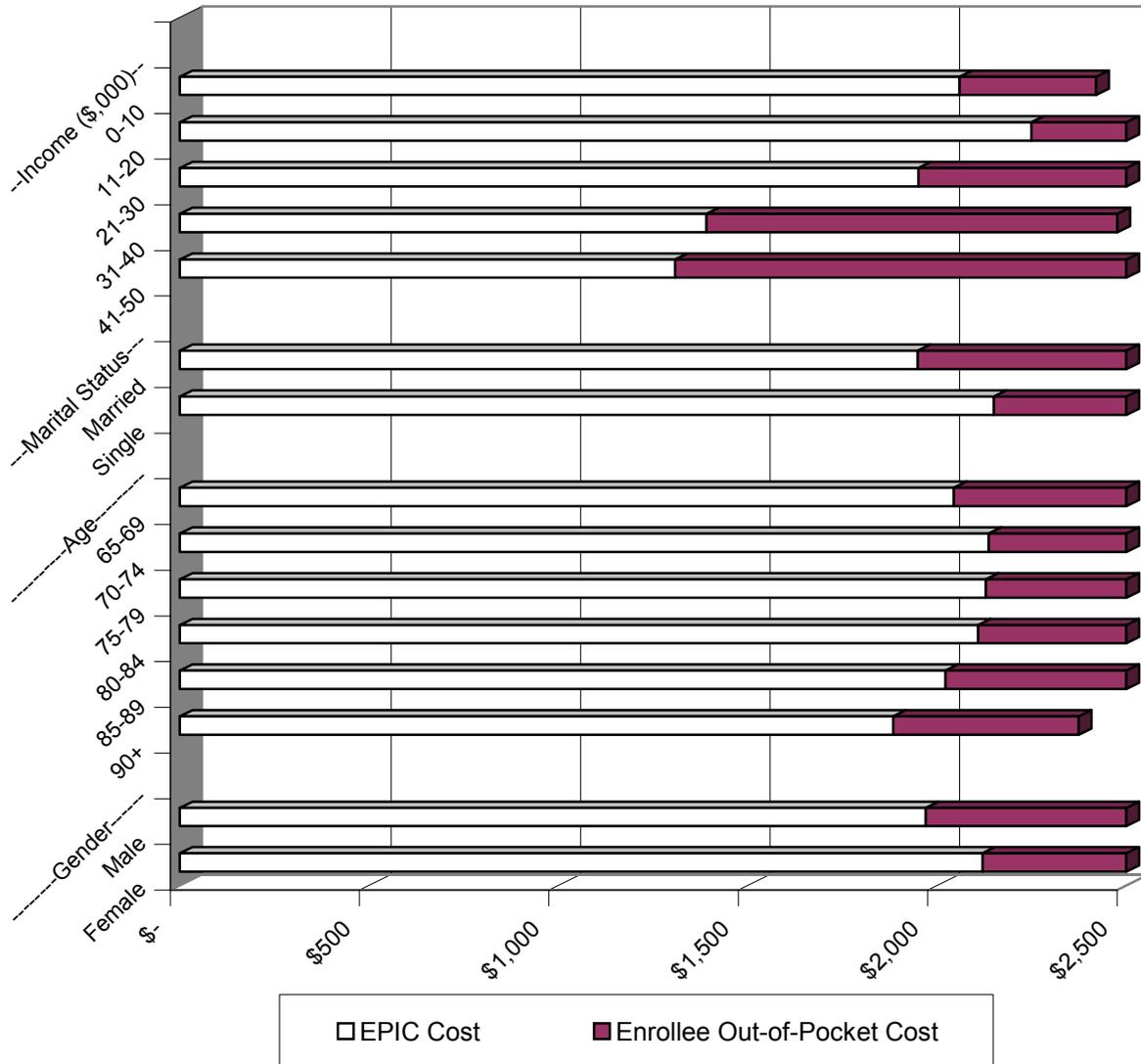


Figure 13 depicts the difference in drug costs based on participant demographics. Seniors with incomes between \$11,000 and \$30,000 incurred the highest drug costs, by more than \$300. This is directly related to the higher annual premiums paid by seniors within this income group, which is a deterrent to joining the program for seniors with low or no drug costs. Also apparent is the increase in out-of-pocket expenditures as income rises, which is integral to the design of the program. Single seniors spent slightly more than married seniors, \$2,643 versus \$2,579, respectively. Additionally, seniors over the age of 90 spent about \$245 less on prescriptions than the average EPIC senior, and females spent \$117 more than male enrollees on prescriptions.

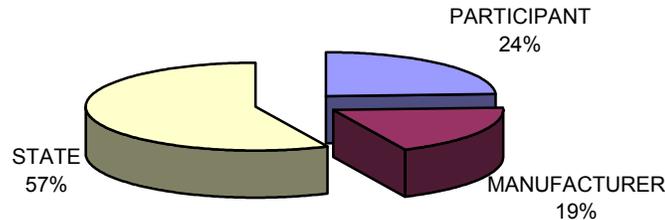
**FIGURE 13
AVERAGE COST OF DRUGS BY DEMOGRAPHICS**



Claims, Expenditures, Revenue and Utilization

During the program year, EPIC seniors purchased 9.9 million prescriptions, which is a 16.2 percent increase over last year. Payments to pharmacies rose to \$579.9 million, which is \$119.5 million more than last year. The net State cost was reduced to \$418.9 million due to rebate revenue received from manufacturers and annual fees paid by participants. Figure 14 shows the distribution of total drug costs among the State, participants and pharmaceutical manufacturers. It is important to note that the manufacturers’ share reflects rebates received on a cash basis during the year and not rebates invoiced during the year.

FIGURE 14
DISTRIBUTION OF TOTAL DRUG COSTS (\$734.8M)
(Cash Basis)



The summary of claims, expenditures, revenue and utilization for representative years is presented in Figures 15 and 16. A detailed summary of expenditures and participant costs by coverage type, marital status and income appears in Table III in the Appendix. The Annual Participant Benefits Statement, which provides a summary of payments, fees, and participant savings is shown in Table IV in the Appendix.

FIGURE 15
CLAIMS, EXPENDITURES AND REVENUE
By Program Year

	Fourteenth (2000-2001)	Fifteenth (2001-2002)	Sixteenth (2002-2003)
NUMBER OF CLAIMS:			
Co-payment	5,719,759	7,920,399	9,131,797
Deductible	368,374	638,208	810,150
Total Claims	6,088,133	8,558,607	9,941,947
EXPENDITURES:			
Total Cost of Drugs	\$389,542,197	\$588,817,853	\$734,758,484
Participant Co-payments	67,202,825	93,838,144	110,315,610
Deductible Payments	19,780,832	34,575,600	44,520,955
EPIC Expenditures	\$302,558,540	\$460,404,109	\$579,921,919
LESS REVENUE:			
Manufacturers' Rebates	\$ 45,698,127	\$ 96,086,269	\$ 139,152,599
Participant Fees	14,821,828	18,958,235	21,820,101
Total Revenue	\$ 60,519,955	\$115,044,504	\$ 160,972,700
NET STATE COST:	\$242,038,585	\$345,359,605	\$418,949,219

FIGURE 16
COST AND UTILIZATION
By Program Year

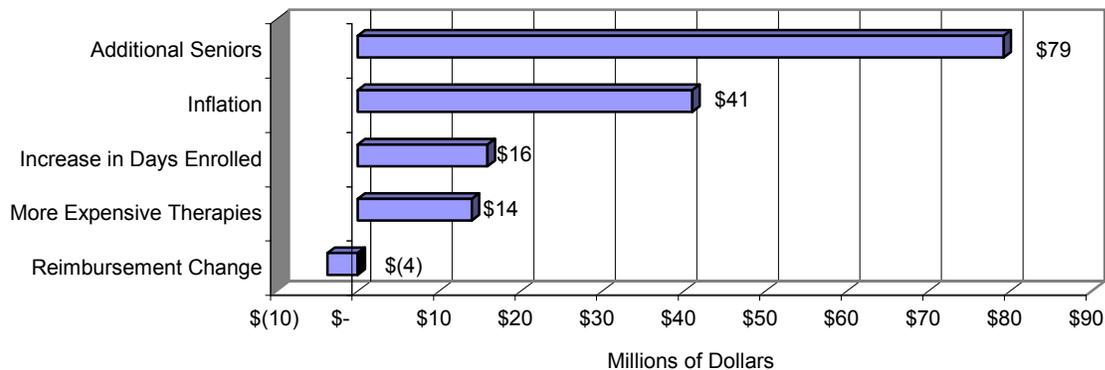
Paid (Non-Deductible) Claims:	First (1987-1988)	Eighth (1994-1995)	Fifteenth (2001-2002)	Sixteenth (2002-2003)
Average EPIC Cost	\$ 12.60	\$ 25.97	\$ 58.13	\$ 63.51
Average Participant Cost	7.30	11.16	11.85	12.08
Average Total Cost	\$ 19.90	\$ 37.13	\$ 69.98	\$ 75.59
Number of Participants Reaching Deductible	3,821	11,691	33,038	47,528
Number of Participants Reaching Copayment Limit	882	15,855	26,788	30,566

Seniors in the Deductible Program who are paying toward their deductible receive the benefit of the lower prices allowed by the EPIC Program, versus the usual and customary price charged by the pharmacy to cash customers. In many instances, usual and customary price is much higher than the amount allowed under EPIC’s reimbursement for purchases. As a result, EPIC Deductible participants saved an average of \$13.81 on almost three-quarters of their deductible purchases by using their EPIC card. This represents an 18 percent average savings per claim.

Increase in the Cost of Drugs

Over the program year, the national Consumer Price Index for Urban Consumers (CPI - U) for prescription drugs increased 3.1 percent, while the rate of increase in the cost of the top 300 drugs purchased by EPIC participants was six percent. The cost of drugs purchased by EPIC seniors increased by \$146 million during the past year. The reasons for the cost increase are illustrated in Figure 17.

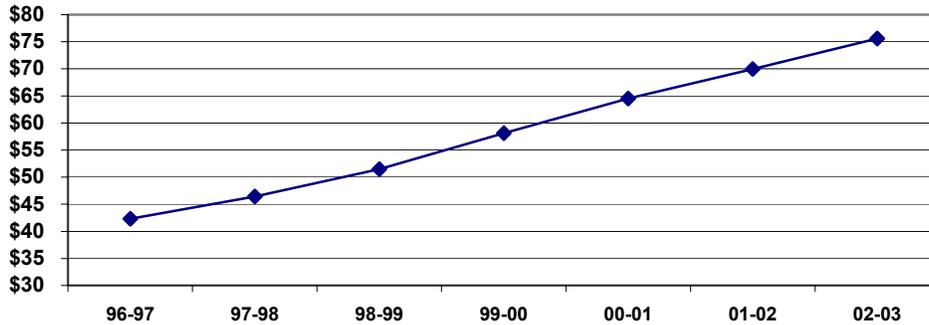
FIGURE 17
REASONS FOR INCREASES IN THE COST OF DRUGS
(\$146M INCREASE)



The cost of the EPIC program increased 25 percent from the previous program year, and is explained below:

- *A 13.5 percent increase in the number of seniors using the program.* A total of 325,212 seniors used EPIC this year compared to 286,640 in the previous program year. This is due to the increased enrollment resulting from the January 2001 expansion, rising drug costs, and the reduction in private insurer prescription benefits.
- *An increase in the volume of prescriptions purchased.* Nearly 1.4 million more prescriptions were purchased by EPIC participants this year, due to the increase in enrollment. EPIC seniors were enrolled for an average of 10 days longer this year than last. As a result, the average enrollee purchased one additional prescription during this program year.
- *An increase in the cost of the average prescription purchase.* The average cost of a prescription increased by eight percent to \$75.59, from \$69.98 last year. The average cost of prescriptions for the past six years is illustrated in Figure 18. As shown, prescription costs rose from \$42.32 during the 1996-97 program year to \$75.59 this year. The rate of inflation increased the price of commonly used drugs by \$4.20 per prescription.
- *A high use of sole source drugs by EPIC's target population.* Sole source medications accounted for 76 percent of EPIC program expenditures. These are brand name drugs that do not have generic alternatives and are newer, innovative therapies that are now available. They are usually much more costly than generic or brand multi-source drugs that are discussed in Section IV. For example, many EPIC seniors use drugs known as proton pump inhibitors which are used to treat gastrointestinal disorders. One such drug is Prevacid. This medication, which is used extensively by the EPIC population, costs more than \$14 million this year. The average annual cost for this drug is over \$1,500, and participants' out-of-pocket co-payments were \$240 for the year.
- *Direct consumer advertising creates high participant demand for certain prescription medications.* Based on EPIC payments for the program year, half of the top twenty drugs frequently purchased by participants were marketed to consumers on television and in popular magazines. They included Plavix, prescribed to prevent heart attacks and strokes, and also Fosamax, prescribed to treat osteoporosis. The media campaign contributed to the high usage of these relatively expensive medications.

**FIGURE 18
AVERAGE COST OF EPIC PRESCRIPTIONS**

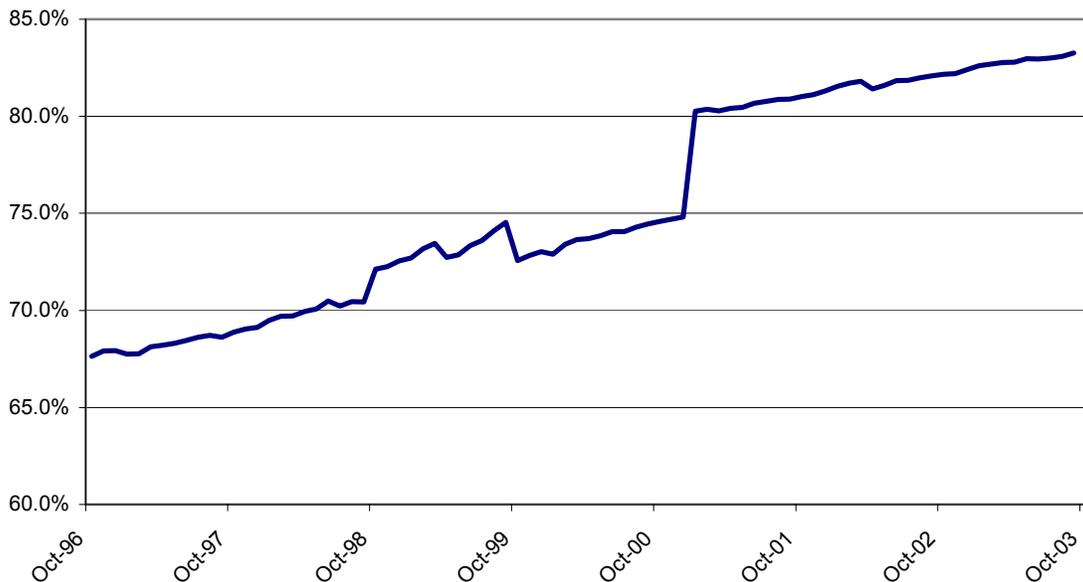


State Share of Drug Costs

Twenty-two percent of the medications purchased by EPIC participants cost over \$100 which is an increase of two percent more than last year. Most of these medications were used to treat chronic illnesses such as heart disease, arthritis, cancer and gastrointestinal disorders. A small number (19,010) of EPIC prescriptions cost more than \$1,000. These are predominantly biotechnology products and chemotherapy agents used in the treatment of cancer. The percentage distribution of EPIC’s covered drugs by volume and price can be found in Table V-A of the Appendix, and the price distribution of drugs purchased by the co-payment bands is included in Table V-B.

The State’s share of the cost of claims requiring a co-payment increased to 84.1 percent from 83.1 percent in the last program year. This is directly related to the increased cost of drugs and the fixed co-payment schedule. Figure 19 reflects the increase in the State’s cost share since 1995.

**FIGURE 19
STATE SHARE OF COPAY CLAIM COST**



Seniors with High Drug Costs

EPIC expenditures are continually impacted by a group of participants using large quantities of high priced pharmaceuticals. Seventy-seven percent of EPIC enrollees that were enrolled in the program for a full year paid more than \$1,000 on prescription medications. A total of 19 percent of EPIC enrollees had drug costs that exceeded \$4,000. Their purchases accounted for over 45 percent of EPIC expenditures. Seniors with higher drug costs used medications for the treatment of severe illnesses such as cancer and transplant therapy. Many received multiple prescriptions for the treatment of chronic diseases such as cardiac problems, diabetes or Parkinson’s disease. Figure 20 depicts the distribution of participants in EPIC for a full year by drug cost.

**FIGURE 20
DISTRIBUTION OF ENROLLEES & EXPENDITURES
BY DRUG COSTS**

Drug Costs	Percent of Enrollees	Percent of Expenditures
Up to \$1,000	22.8%	4.6%
\$1,001 to \$2,000	25.4%	14.5%
\$2,001 to \$3,000	19.8%	18.7%
\$3,001 to \$4,000	12.9%	17.1%
\$4,001 to \$5,000	7.9%	13.5%
Over \$5,000	11.2%	31.6%
Totals	100.0%	100.0%

Two-Year Enrollment and Cost Projections

Enrollment and cost projections for the next two years are presented in Figure 21. These projections reflect savings related to the Medicare Drug Discount Card Program which began in June 2004. The projections also reflect the expanded enrollment, lower fees and co-payments that became effective on January 1, 2001, as well as the changes in the manufacturer rebates effective April 1, 2002 and in the pharmacy reimbursement effective June 15, 2003. These program changes are expected to promote additional increases in enrollment with payments to pharmacies projected to be \$694.9 million in the 2003-04 program year and \$764.9 million in the 2004-05 program year. These costs will be significantly reduced by manufacturers’ rebates, which have been increased by the full additional CPI rebate that results from legislation passed in 2002. The collection of additional rebate revenue began in August 2002 on utilization for April 1, 2002, as a result of the passage of Chapter 1 of the Laws of 2002. Another offset to EPIC expenditures is fee revenue, which will decrease as of result of waiving fees for participants enrolled in the Medicare Discount Card Transitional Assistance Program. As a result, the net State costs based on current law are projected to be \$489.2 million in program year 2003-04 and \$510.1 million in program year 2004-05.

FIGURE 21
EPIC ENROLLMENT AND COST PROJECTIONS
(Dollars in Millions)

	Oct. 2002- Sept. 2003	Oct. 2003- Sept. 2004	Oct. 2004- Sept. 2005
Enrollment	324,646	343,832	354,000
Cost of Drugs	\$ 734.8	\$ 892.4	\$ 946.7
EPIC Payments	\$ 579.9	\$ 694.9	\$ 764.9
Fees	21.8	21.6	20.9
Rebates	139.2	184.1	233.9
Total Revenues	\$ 161.0	\$ 205.7	\$ 254.8
Net State Costs	\$ 418.9	\$ 489.2	\$ 510.1

III. REVIEWING UTILIZATION

I am writing to thank you for the EPIC Program. Our combined prescription drugs totaled \$6,519 this past year. We wish to extend our thanks and appreciation for your help.

*Mr. and Mrs. G.
Peekskill, NY*

Introduction

The average EPIC participant was 78 years old and used 35 prescriptions during this program year. The most prevalent medical conditions treated with prescription drugs used by EPIC enrollees include heart disease, cancer, diabetes, arthritis and gastrointestinal disorders. Access to improved health care and the availability of new drugs designed to prevent, as well as treat, chronic debilitating medical conditions has resulted in increased longevity and enhanced quality of life for many seniors who participate in the program. Compliance with medication treatment schedules is also assured when seniors can afford their medications. The following is an overview of the different types of medications used by EPIC seniors.

Medications Most Frequently Used

The 300 most frequently purchased medications used by EPIC seniors this year are listed in Table VI in the Appendix. Table VII shows the most frequently purchased types of medications by therapeutic classification. The first five therapeutic classes of drugs can be used to treat either hypertension or cardiac disease. These classes represent the largest percentage of drugs used by EPIC seniors. In the past, these classes were categorized as cardiac drugs, but now they have been re-classified by the American Hospital Formulary Service (AHFS) into specific types of drugs (e.g., adrenergic blocking agents, diuretics, ace inhibitors, etc.). The next two most frequently used types of drugs are gastrointestinal drugs, used by 30 percent of EPIC participants, and antidepressants, used by 20 percent of EPIC participants.

Table VIII identifies the twenty most frequently used drugs purchased by EPIC seniors. Although these medications are often used to treat serious life threatening diseases, many EPIC participants use them for preventive treatment of heart disease, complications from diabetes and gastrointestinal diseases. Examples include: Fosamax which is used to prevent and treat osteoporosis; and Prevacid, which is used for the treatment of gastrointestinal disease. Prevacid appears in the top twenty drugs for the second year in a row.

Table IX lists the top twenty drugs based on EPIC payment. Plavix, Prevacid, Lipitor, and Fosamax are the top four drugs identified. Plavix, a blood thinner, is used to help prevent strokes. This year, more than 26,712 seniors used Plavix, which is the number one drug on the list. The average cost of this therapy for each participant was approximately \$1,441 per year. However, participants saved over 83 percent of the cost of this drug by utilizing their EPIC benefit. Prevacid is used to treat gastrointestinal disease. Lipitor is used to treat high cholesterol, and Fosamax is used to treat osteoporosis. All are important treatments for the different disease states of EPIC seniors.

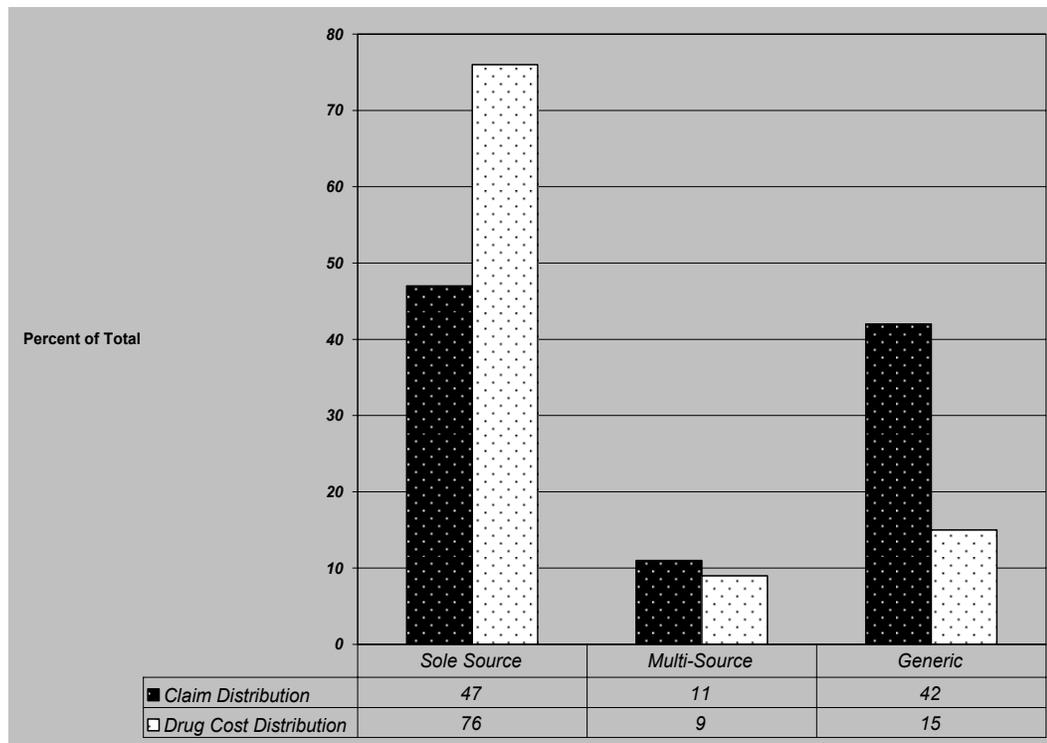
Zocor and Pravachol appear on this list and are also used to treat high cholesterol. Based on the latest literature, controlling high cholesterol levels plays an important role in reducing heart disease. As a result, EPIC's senior population uses these high cost, sole source medications to control cardiac disease and keep seniors healthier longer.

To summarize, EPIC drug utilization focuses on treating a population of seniors with chronic illness that tends to become more severe in the later years. EPIC continues to cover new drugs on the market to meet the needs of all seniors.

Types of Medications Used

Over 4.1 million prescriptions for generic drugs were purchased during this program year representing 42 percent of the prescriptions dispensed. This is a one percent increase from last year. The use of brand multi-source products decreased from 13 percent to 11 percent this program year. The use of more expensive sole source (single manufacturer) products represents 47 percent of the prescriptions purchased this year, which is a one percent increase from last year. However, sole source medications account for 76 percent of the total cost of drugs, whereas, generic and brand multi-source products represent 53 percent of the total prescriptions dispensed, and account for only 24 percent of the cost. Increases in drug costs continue to be strongly driven by sole source products.

**FIGURE 22
USE OF BRAND VERSUS GENERIC DRUGS**



Under New York State's mandatory generic substitution law, a generic drug must be dispensed when a multi-source product is prescribed, unless the prescriber indicates that the brand name product is required. During the program year, the substitution rate for those drugs with a generic alternative was 80.4 percent. This rate is comparable to programs with strong generic incentives. Price changes compared to last year were particularly significant for sole-source medications (8.9 percent) and multi-source medications (10.6 percent) as shown in Figure 23.

**FIGURE 23
PRICE CHANGES BY MEDICATION TYPE**

	2001-02	2002-03	% Change
Sole Source	\$87.42	\$95.24	8.9%
Multi-source	\$39.64	\$43.86	10.6%
Generics	\$19.69	\$20.86	5.9%

Therapeutic Drug Monitoring

Due to new types of medications that have recently been introduced, many seniors are being treated with new and more effective therapy regimens that were never available before. When seniors age, increased health risks may result in the consumption of more drugs necessary to keep them healthy and prevent disease. Seniors with multiple disease states may be at increased risk for adverse events from medications. In addition, impaired hearing and vision can contribute to confusion about their medication regimen.

EPIC operates a Therapeutic Drug Monitoring (TDM) program consisting of Prospective Drug Utilization Review (Pro-DUR) and Retrospective Drug Utilization Review (Retro-DUR) that are effective in identifying potential problems and improving medical outcomes. At the point-of-sale, pharmacists are notified of possible inappropriate drug therapy when a prescription is submitted to the program. Situations identified as possibly inappropriate drug therapy are communicated to prescribers during the Retro-DUR review. This feedback to providers is helpful in making clinical decisions about the senior’s drug therapy and, where appropriate, initiates a change in drug regimen. These interventions prevent further complications for seniors and contribute to improved life quality.

Prospective Utilization Review

During the program year, over 9.9 million prescriptions were submitted electronically and processed by EPIC’s online Point-Of-Sale (POS) system. As Figure 24 illustrates, 421,403 of these prescriptions were suspended at the point of dispensing with messages alerting pharmacists to potential therapeutic problems. Only 4.2 percent of prescriptions filled were affected by the alerts, which is a lower rate than many other prescription processing companies and, therefore, more likely to receive attention by the pharmacist. After review by the pharmacist, 228,777 prescriptions were not filled, preventing adverse consequences of medications.

FIGURE 24
PROSPECTIVE REVIEW STATISTICS
OCTOBER 2002- SEPTEMBER 2003

<u>Type of Review</u>	<u>Suspensions</u>	<u>Overrides</u>	<u>Percent of Overrides/Suspensions</u>
Drug to Drug Interactions	41,211	34,551	84%
Therapeutic Duplication	138,488	102,133	74%
High Dose	29,438	19,150	65%
Early Refill	<u>212,266</u>	<u>36,792</u>	17%
Totals (Unduplicated)	421,403	192,626	

Clinical reviews completed by the pharmacist prior to dispensing the medication may prevent unnecessary medical visits resulting from seniors taking drugs where problems were indicated. The EPIC program saved more than \$5.2 million on prescriptions that were not dispensed due to pharmacist intervention. EPIC seniors benefited from receiving clinical feedback that keeps them healthy. An additional \$15 million in payments to pharmacies were delayed due to the Early Refill edit that prevents a senior from filling a prescription before half of the medication is consumed.

Retrospective Utilization Review

All prescriptions for EPIC seniors are also subject to a retrospective review which uses established clinical criteria. Participants that may be at risk, due to drug interactions, duplicative therapies, overuse, or the use of multiple pharmacies and physicians are identified by a computer review of their claims information. EPIC pharmacists complete clinical reviews of the medication history profiles for those seniors where possible problems were indicated, and informational letters are sent to all relevant prescribers.

During the program year, 9,000 clinical reviews were completed. As a result, 1,156 informational letters were sent to prescribers on behalf of 438 participants. Approximately 31 percent of medical providers responded to the letters. A large number of prescribers commented about the usefulness of the information.

The effectiveness of the retrospective program is evaluated by performing a post-intervention review of drug therapy six months after a letter was sent to a prescriber on behalf of a participant. Responses from prescriber interventions, which help avoid adverse consequences of medication, occur in approximately 30 percent of the cases.

Payments to Pharmacies

Table X in the Appendix shows the distribution of claims and payments by pharmacy type and Table XI presents a summary of pharmacy claims and payments by county. Over 4,000 pharmacies provided services to EPIC participants this year, each receiving an average annual payment of \$143,722. Payments were made through an Electronic Funds Transfer (EFT) system, which ensures accurate and direct payments to providers. Pharmacies received \$579.9 million in State payments, an increase of 26 percent from last year.

Fifty-five percent of active pharmacies are chain stores, 41 percent are independently operated stores, and the remainder represented institutions or mail order pharmacies. Chain stores received 62 percent of EPIC expenditures during the current program year. Independent pharmacies received 34 percent.

IV. PROGRAM OPERATIONS

*I am sending a quick note to let you know how much we appreciate EPIC.
It has kept my mother out of a nursing home for which I am grateful.
Every time I call the Helpline, everyone is friendly, helpful and respectful.*

*Ms. H.
East Hampton, NY*

Introduction

EPIC operational activities focused on managing the third year of the expanded program. Outreach initiatives were instrumental in promoting the program throughout the State, and provided helpful information to eligible seniors that need affordable prescription drug coverage. More and more seniors are utilizing the EPIC program to supplement other prescription insurance that does not provide sufficient coverage. With newer and more expensive drugs being prescribed, EPIC helps seniors purchase the medications that they need to stay healthy.

Pharmacy and internal audits were routinely completed during the program year to ensure the financial integrity of the program's expenditures. The EPIC Manufacturer Rebate Program collected \$139.2 million in rebate revenue this program year that helps to pay for program benefits. Revenue received included additional amounts collected from manufacturers because of increases in drug prices that exceeded the inflation rate.

Outreach Services

EPIC experienced a ten percent growth in enrollment and almost 325,000 seniors were receiving benefits by the end of the program year. Goals and objectives for outreach initiatives and staff resources were directed to a variety of activities designed to reach seniors, advocates, local area offices for aging, health care professionals, community-based organizations and other governmental agencies at a "grass-roots" level. While community-based outreach initiatives have always been fundamental for the outreach function, this program year they served as the core to the program's outreach plan.

Community Outreach

Community-based outreach was the cornerstone of the year's outreach plan. EPIC outreach representatives maintained their strong community presence, organizing and participating in events that targeted seniors, caregivers, advocates, families and friends. This year, outreach staff participated in more than 350 information, enrollment and training sessions that were held in senior centers, pharmacies and senior housing facilities. More than 9,500 seniors attended these events. Outreach representatives also actively participated in many local events sponsored by ethnic and minority community-based organizations, senior services organizations, legislators, local offices for the aging, and labor unions. Local newspaper advertisements and television interviews were used to promote community specific outreach initiatives.

EPIC outreach representatives participated in more than 200 senior, county and community fairs where they assisted seniors with the application process and distributed program materials. Approximately, 94,000 people attended these events.

The formation of new partnerships was instrumental to achieving the community-based goals and objectives of the program year outreach plan. The New York City Education Task Force worked closely with EPIC to increase senior awareness and promote the program among its many diverse ethnic and minority groups that are located throughout the City's neighborhood enclaves. Task force members include the New York City Department for the Aging, United Hospital Fund, the Health and Hospitals Corporation (HHC), and the New York City Department of Health and Mental Hygiene. At the request of the NYC Education Task Force and the Northern Manhattan Alliance, outreach representatives completed 89 training and information sessions for 3,860 agency staff and seniors.

During the year, promotional activities were directed to physicians, hospital administrators, outpatient clinics, home care agencies, veterans' administration clinics, and rehabilitation clinics in an effort to increase visibility of the program in the medical community throughout the State. Outreach representatives met with 865 physicians, 67 geriatric care managers and other medical providers where they provided program materials for their offices. A total of 21 information, training sessions and fairs were sponsored by health care providers for seniors and caregivers as a result of these contacts.

To increase EPIC awareness and promote the program during the fall months, outreach representatives visited 70 flu clinics held across the State. The clinics were attended by 11,500 seniors and were held in senior centers, senior housing facilities and pharmacies. Outreach also participated in 112 events sponsored by faith-based organizations.

Distributing Program Information

During the program year, a total of 816,065 EPIC enrollment brochures were distributed to pharmacies, legislators, health care providers, local offices for the aging, and various other organizations and agencies serving seniors. Promotional materials were also mailed to more than 500 faith-based organizations. Materials included English and Spanish brochures as well as fact sheets translated in foreign languages.

Outreach staff designed and distributed 14,000 EPIC placemats containing program information at congregate meal sites. Senior requests for the EPIC Drug Diary provided the impetus for a new design and reprinting of this popular promotional item. Seniors find this to be a convenient way to keep track of their medications, especially when visiting their physicians and pharmacies.

Another major accomplishment achieved during the year was a redesign of the EPIC Benefit Guide which contains all relevant EPIC policies governing the program, as well as the Notice of EPIC Privacy Practices which is mandated by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Targeted Promotional Initiatives

EPIC outreach continued to focus promotional activities on the State's many ethnic and minority communities. EPIC enrollment applications have been translated into Spanish, Chinese, French, Hebrew, Russian, and Greek. Promotional materials are also available in Arabic, French, Haitian Creole, Korean, Chinese, Russian, Italian, Polish, and Yiddish. Translated materials were distributed to over 280 ethnic and minority organizations across the State during the program year.

There were 100 outreach initiatives that targeted ethnic and minority groups during the year. These included staff trainings for community-based organizations; disseminating promotional materials at professional conferences; presenting EPIC seminars at various community-based localities and events; and helping seniors complete the EPIC enrollment application. The Northern Manhattan Health Alliance was a strong partner and promoted many outreach events on behalf of the communities it serves.

EPIC outreach applied a team-based strategy to market the program in minority and ethnic neighborhoods in New York City. Six campaigns were conducted. Using this strategy, teams of four or five representatives were able to blanket each neighborhood with promotional literature, while simultaneously visiting over 244 businesses and community-based organizations in a very concentrated time frame. The outcome significantly increased the business community's awareness of the EPIC Program.

Education on Coordination of Benefits

The reduction in benefits from retiree and union sponsored prescription drug plan has prompted many more seniors with limited insurance benefits to join EPIC in an effort to broaden their prescription coverage. By law, EPIC is the payer of last resort. However, many seniors do not clearly understand how coordinating their benefits will save them money, and in many instances, it will result in lower EPIC co-payments.

To facilitate the educational process, letters are sent to EPIC seniors reported to have other prescription insurance. The letters advise the seniors to show both insurance cards to their pharmacist at the time of purchase and to remind the pharmacist to bill the primary prescription insurance carrier first. Expenses not covered by the primary carrier can be billed to EPIC. EPIC outreach representatives also advise seniors with other prescription insurance coverage how to maximize their dual insurance, and they provide materials to assist seniors with the coordination of benefits process.

In response to the reduction in prescription benefits provided through retired employee benefit funds and Medicare managed care plans, outreach representatives participated in informational sessions sponsored by retiree organizations, the Center for Medicare and Medicaid Services, health maintenance organizations, the State Office for Aging, and the local offices for aging. From October to December of 2002, outreach staff participated in 19 events designed to assist seniors whose primary prescription benefits were being eliminated or reduced

on January 1, 2003. Helpline staff is also instrumental in advising seniors on the proper procedures for coordination of benefits.

Helpline

EPIC's toll-free Participant Helpline is an important resource for new applicants, existing participants, caregivers, providers and the public who are looking for program information or assistance. This program year, the Helpline responded to 427,450 calls from seniors, caregivers and other interested parties. A total of 2,101 calls were from Spanish speaking callers who interacted with one of three Spanish speaking Helpline staff. The most popular reasons for calling the Helpline were program inquiries, application requests, assistance in completing applications, and billing inquiries. EPIC also maintains a Provider Helpline that is available to answer questions from pharmacy providers. Helpline staff responded to 36,867 provider calls during the program year. There were also 31,040 written requests from seniors for information about the program.

The EPIC program's website can be found by accessing the New York State Department of Health at www.health.state.ny.us. The website is a resource available to those who are interested in obtaining additional information about the EPIC program and its benefits. The website was designed to be interactive, and applications can be requested or downloaded in both English and Spanish. Copies of the most recent EPIC Annual Report can also be found on the site and questions about the program can be sent directly to EPIC program staff using the email address provided specifically for this purpose.

The New York State Office for the Aging also maintains a Hot Line and website that provides information on the EPIC Program. During the program year, 600 telephone calls related to the EPIC Program were handled by the staff at the New York State Office for the Aging. Over 100 EPIC applications were sent to seniors in response these telephone inquiries.

Cost Effectiveness of Outreach

An evaluation of the cost effectiveness of EPIC outreach activities was conducted. The analysis was based on the number of EPIC brochures distributed compared to the number of EPIC applications received. A total of 816,065 brochures were distributed throughout the program year to EPIC participating pharmacies, various health care providers, legislators, local offices for the aging, senior centers and other agencies. The promotional campaigns resulted in 73,338 applications being received at a cost of \$ 2.66 per application.

Performance of the Contractor

EPIC legislation requires that a contractor be secured through a competitive procurement process to perform the program's major operational functions. Primary aspects of the contractor's responsibilities include application and enrollment processing, participant and provider relations, pharmacy enrollment and reimbursement, claim processing, outreach and systems development. The contractor also provides support to the State operation of the manufacturer rebate and therapeutic drug monitoring programs. Specific contract performance standards established for each function are designed to ensure quality operations.

The current contract with First Health Services Corporation was set to expire on September 30, 2003. The procurement process was initiated beginning with the issuance of a Request for Proposals (RFP) in December 2002 and concluded on April 9, 2003 with the EPIC Panel's selection of the incumbent, First Health Services Corporation, as the successful bidder for the new five-year contract. However, execution of the new contract was significantly delayed because the EPIC Panel and the Office of the State Comptroller had to complete reviews based on a bidder's protest of the procurement. As a result, the original contract with First Health was extended until the start of operations under the new contract.

Throughout the program year, State staff monitored First Health's compliance with the contract performance standards through routine and special reviews, particularly emphasizing areas that directly affect participants and pharmacy providers. The reviews confirmed First Health has effectively managed the program's operations. The only issue noted during the year was an eleven hour online point-of-sale (POS) outage experienced in August 2003. The contractor quickly implemented corrective actions designed to avoid a reoccurrence, and no subsequent problems were experienced.

First Health continued to display a high level of commitment to the success of the EPIC program, and completed several significant initiatives during the year. The contractor proactively planned for renewal processing, thus enabling them to process peak volume of renewal applications at the end of the program year. In addition, First Health successfully began processing prescription and over-the-counter (OTC) drug claims for the American Indian Health Program under its contract with EPIC after significant system programming and testing. First Health also successfully implemented a new provider profiling component of the Retrospective Drug Utilization Review (RetroDUR) system.

HIPAA

The Health Insurance Portability and Accountability Act (HIPAA) components were implemented during the year. HIPAA privacy regulations required that the EPIC program develop and implement policies to ensure the privacy of individual's protected health information (PHI). EPIC staff developed HIPAA policies and procedures working with the Department of Health HIPAA Privacy Officer. All EPIC staff training, and policies and procedures were in place by the mandated implementation date of April 14, 2003. The staff training included a general overview of HIPAA privacy with regards to the federal regulation, specific policies and procedures that were customized for the EPIC program, and job specific training for each group of EPIC and contractor staff. In addition, a HIPAA Privacy Officer was designated for the EPIC program to assist with the receipt and resolution of complaints related to the use and disclosure of enrollees' confidential PHI. There were no complaints received during the program year. Per HIPAA requirements, a notice of the EPIC Program Privacy Practices was developed and mailed to more than 320,000 EPIC enrollees, and is sent to all new enrollees when they join the program.

The HIPAA Electronic Transaction and Code Set Standards for pharmacy programs required that EPIC upgrade its claims processing systems to the National Council for Prescription Drug Programs (NCPDP) Version 5.1 claims format. Following detailed systems testing, First Health successfully implemented the claims processing system upgrade to be

compliant with HIPAA standards during March 2003. This was well in advance of the mandated implementation date of October 2003.

Pharmacy Audits

Throughout the program year, EPIC staff performed audits to ensure the financial integrity of \$580 million in State reimbursement payments to pharmacies and ensure their compliance with legislative and regulatory requirements. This year, 104 pharmacy audits were finalized with total recoveries in excess of \$187,000. The findings were attributable to claims that were billed for excessive quantities of medication dispensed and refill prescriptions dispensed in excess of the number authorized. There were also substantial recoveries from pharmacies that billed EPIC for claims that should have been billed to primary insurance or Medicaid.

EPIC's verification of benefits (VOB) process verifies claim reimbursement to pharmacy providers after each claims cycle. More than 36,000 EPIC seniors were contacted during the year by mail asking them to verify that all drugs billed to EPIC were actually received. The seniors are requested to review their drug listing, verify that each prescription was received, note any errors and return to EPIC. More than 89 percent of EPIC seniors returned their responses to the program. A total of 320 negative responses were investigated by audit staff, and more than \$16,000 was recovered from pharmacies as a result of this monitoring process.

In addition, audit staff contacted more than 1,000 participants to verify claim data submitted by their pharmacy. This process is completed prior to beginning a pharmacy audit. Physicians are also contacted if necessary, to confirm that the drugs in question were prescribed. These are important steps in the pre-audit process that resulted in monetary recoveries.

Audit staff routinely reviewed a sample of participant refunds from each payment cycle prior to the completion of the prepayment audit by the contractor. This review has resulted in the enhanced documentation of procedures for co-payments and fee refunds to seniors.

Beginning with the first quarter of 2003, a process was developed by both audit and contractor staff to create a provider profiling system to be used as an audit tool that analyzes claims dispensed by providers. Audit staff selects specific criteria to create 400 customized profiles each quarter. The profiles compare specific data for each provider to the averages for all providers. The selection procedures are continually being refined in order to achieve the best possible results. The profiles are an integral part of the audit selection process and help to maintain the necessary standards of oversight and review of pharmacy payments.

Manufacturer Rebate Program

Pharmaceutical manufacturers are required to enter into a formal agreement with EPIC and pay rebates on their prescription drug products dispensed or their products will not be covered by the program. The Manufacturer Rebate Program invoiced over \$159.6 million in rebates this program year, which is the largest annual amount invoiced since the inception of the rebate program in 1991. EPIC currently has agreements with 340 manufacturers including the larger companies, resulting in EPIC coverage of most pharmaceuticals prescribed for EPIC seniors.

The record amount of rebates invoiced this program year is attributable to a combination of factors, the primary of which included increased utilization. This is also the first program year to fully realize the benefits of two legislative changes implemented effective April 1, 2002. The first required all manufacturers to enter into a rebate agreement with EPIC to have their drugs covered. Previously, manufacturers who did not have a rebate agreement with the federal Medicaid program did not have to participate in the EPIC rebate program. The other more significant change, revised the EPIC rebate calculation to mirror the federal Medicaid calculation, expanding EPIC's rebate to include the full Medicaid consumer price index component. Increased utilization of sole-source innovator drugs this program year also contributed to the record rebate dollars, since manufacturers generally pay higher rebates on innovator drugs compared to non-innovator drugs.

As reflected in Figure 25, a total of \$510.4 million in rebate payments has been invoiced since the inception of the rebate program in 1991, with over 31 percent of that amount invoiced this program year alone, and the 69 percent balance invoiced over the previous 12 program years.

FIGURE 25
MANUFACTURER REBATES
(Accrual Basis)

Rebate Year	Total Manufacturers' Rebate Payments	Total EPIC Provider Payments	Rebate % of Provider Payment
04/91-9/91	3,475,121	22,233,461	15.63%
10/91-9/92	8,676,544	51,946,785	16.70%
10/92-9/93	10,206,040	60,956,002	16.74%
10/93-9/94	10,475,058	66,960,430	15.64%
10/94-9/95	12,103,099	78,647,956	15.39%
10/95-9/96*	15,079,708	89,504,584	16.85%
10/96-9/97	21,459,988	97,292,841	22.06%
10/97-9/98	22,991,368	107,458,720	21.40%
10/98-9/99	28,160,422	140,124,677	20.10%
10/99-9/00	35,246,774	186,696,133	18.88%
10/00-9/01**	66,471,413	298,988,511	22.23%
10/01-9/02***	116,396,192	460,070,215	25.30%
10/02-9/03	159,650,887	579,921,919	27.53%
Program Life	\$510,392,614	\$2,240,802,234	22.78%

Footnotes:

* New rebate formula based on total cost of drugs implemented July 1, 1996.

** Modified CPI- component added to rebate formula effective October 1, 2000.

*** Full CMS CPI component added to rebate formula effective April 1, 2002.

Summary

During a year of continued enrollment growth in the program, EPIC operations continued to provide seniors and providers with a high level of quality service. EPIC is now the largest pharmacy program in the nation. During the year, enhanced program benefits enabled enrollment to reach over 324,000 participants. EPIC outreach activities were conducted statewide to increase the visibility of the program and highlight the program enhancements. This year, more than 325,000 active seniors purchased more than 9.9 million prescriptions, saving seniors \$579.9 million. The EPIC program enables New York State seniors to receive prescriptions they need to stay healthy by providing a reasonably priced program that is senior-friendly and easy to use.

APPENDIX

<u>TABLE</u>	<u>TITLE</u>
I	APPLICATIONS AND ENROLLMENT BY COUNTY
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**TABLE I
APPLICATIONS AND ENROLLMENT BY COUNTY**

COUNTY	APPLICATIONS RECEIVED 10/02-9/03	APPLICATIONS RECEIVED 10/87-9/03	ENROLLMENT AS OF 9/30/03
ALBANY	1,111	11,855	5,194
ALLEGANY	236	2,942	1,228
BROOME	867	12,932	5,453
CATTARAUGUS	557	6,426	2,834
CAYUGA	358	4,415	2,019
CHAUTAUQUA	1,023	12,230	5,645
CHEMUNG	448	6,498	2,661
CHENANGO	352	4,011	1,752
CLINTON	315	4,520	2,041
COLUMBIA	343	3,997	1,864
CORTLAND	258	3,082	1,375
DELAWARE	305	3,969	1,847
DUTCHESS	845	9,928	4,593
ERIE	8,361	57,981	25,978
ESSEX	188	2,225	988
FRANKLIN	206	3,205	1,347
FULTON	357	4,340	1,968
GENESEE	450	3,964	1,953
GREENE	253	3,463	1,554
HERKIMER	374	5,868	2,543
JEFFERSON	541	6,783	3,039
LEWIS	169	2,050	922
LIVINGSTON	373	3,248	1,594
MADISON	310	3,698	1,633
MONROE	3,298	27,215	13,044
MONTGOMERY	339	5,100	2,384
NASSAU	5,876	52,348	24,109
NIAGARA	1,265	12,566	5,634
ONEIDA	1,022	16,170	6,901
ONONDAGA	1,867	21,177	9,373
ONTARIO	573	5,712	2,711
ORANGE	1,123	13,652	5,961
ORLEANS	231	2,187	1,034
OSWEGO	592	7,695	3,439
OTSEGO	346	4,257	1,850
PUTNAM	304	3,336	1,577
RENSSELAER	633	6,837	3,071
ROCKLAND	885	10,002	4,421
SARATOGA	445	7,784	2,896
SCHENECTADY	808	6,310	3,797
SCHOHARIE	618	2,755	2,869
SCHUYLER	129	1,301	813
SENECA	105	1,564	551
ST LAWRENCE	147	5,985	723
STEUBEN	418	5,438	2,351
SUFFOLK	5,459	56,976	25,203
SULLIVAN	331	4,426	1,842

**TABLE I
APPLICATIONS AND ENROLLMENT BY COUNTY**

COUNTY	APPLICATIONS RECEIVED 10/02-9/03	APPLICATIONS RECEIVED 10/87-9/03	ENROLLMENT AS OF 9/30/03
TIOGA	222	2,921	1,180
TOMPKINS	251	3,130	1,297
ULSTER	836	8,898	4,058
WARREN/HAMILTON	405	4,059	1,876
WASHINGTON	339	3,740	1,866
WAYNE	561	5,440	2,510
WESTCHESTER	2,945	33,426	14,467
WYOMING	264	2,651	1,256
YATES	183	1,732	832
SUBTOTAL	51,420	530,420	237,921
<u>NEW YORK CITY:</u>			
BRONX	3,813	56,111	10,336
KINGS	7,178	31,309	25,665
MANHATTAN	4,214	23,922	14,863
QUEENS	8,119	58,356	30,157
RICHMOND	1,804	11,266	5,704
TOTAL NYC	25,128	180,964	86,725
STATEWIDE TOTAL	76,548	711,384	324,646

**TABLE II
ENROLLMENT CHANGES BY COUNTY**

COUNTY	ENROLLMENT AS OF 9/30/02	ENROLLMENT AS OF 9/30/03	TOTAL CHANGE	PERCENT CHANGE
ALBANY	4,738	5,194	456	9.62%
ALLEGANY	1,122	1,228	106	9.45%
BROOME	5,306	5,453	147	2.77%
CATTARAUGUS	2,556	2,834	278	10.88%
CAYUGA	1,909	2,019	110	5.76%
CHAUTAUQUA	5,253	5,645	392	7.46%
CHEMUNG	2,532	2,661	129	5.09%
CHENANGO	1,626	1,752	126	7.75%
CLINTON	1,955	2,041	86	4.40%
COLUMBIA	1,776	1,864	88	4.95%
CORTLAND	1,287	1,375	88	6.84%
DELAWARE	1,745	1,847	102	5.85%
DUTCHESS	4,432	4,593	161	3.63%
ERIE	20,718	25,978	5,260	25.39%
ESSEX	928	988	60	6.47%
FRANKLIN	1,280	1,347	67	5.23%
FULTON	1,946	1,968	22	1.13%
GENESEE	1,743	1,953	210	12.05%
GREENE	1,507	1,554	47	3.12%
HERKIMER	2,356	2,543	187	7.94%
JEFFERSON	2,867	3,039	172	6.00%
LEWIS	851	922	71	8.34%
LIVINGSTON	1,427	1,594	167	11.70%
MADISON	1,532	1,633	101	6.59%
MONROE	11,604	13,044	1,440	12.41%
MONTGOMERY	2,301	2,384	83	3.61%
NASSAU	21,653	24,109	2,456	11.34%
NIAGARA	5,076	5,634	558	10.99%
ONEIDA	6,823	6,901	78	1.14%
ONONDAGA	8,829	9,373	544	6.16%
ONTARIO	2,495	2,711	216	8.66%
ORANGE	5,679	5,961	282	4.97%
ORLEANS	918	1,034	116	12.64%
OSWEGO	3,297	3,439	142	4.31%
OTSEGO	1,774	1,850	76	4.28%
PUTNAM	1,530	1,577	47	3.07%
RENSSELAER	2,792	3,071	279	9.99%
ROCKLAND	4,245	4,421	176	4.15%
SARATOGA	3,455	3,797	342	9.90%
SCHENECTADY	2,617	2,869	252	9.63%
SCHOHARIE	763	813	50	6.55%
SCHUYLER	513	551	38	7.41%
SENECA	674	723	49	7.27%
ST LAWRENCE	2,776	2,896	120	4.32%
STEUBEN	2,249	2,351	102	4.54%
SUFFOLK	23,486	25,203	1,717	7.31%
SULLIVAN	1,780	1,842	62	3.48%

**TABLE II
ENROLLMENT CHANGES BY COUNTY**

COUNTY	ENROLLMENT AS OF 9/30/02	ENROLLMENT AS OF 9/30/03	TOTAL CHANGE	PERCENT CHANGE
TIOGA	1,122	1,180	58	5.17%
TOMPKINS	1,239	1,297	58	4.68%
ULSTER	3,762	4,058	296	7.87%
WARREN/HAMILTON	1,702	1,876	174	10.22%
WASHINGTON	1,740	1,866	126	7.24%
WAYNE	2,303	2,510	207	8.99%
WESTCHESTER	13,678	14,467	789	5.77%
WYOMING	1,120	1,256	136	12.14%
YATES	770	832	62	8.05%
SUBTOTAL	218,157	237,921	19,764	9.06%
<u>NEW YORK CITY:</u>				
BRONX	8,605	10,336	1,731	20.12%
KINGS	22,978	25,665	2,687	11.69%
MANHATTAN	13,144	14,863	1,719	13.08%
QUEENS	26,828	30,157	3,329	12.41%
RICHMOND	4,801	5,704	903	18.81%
TOTAL NYC	76,356	86,725	10,369	13.58%
STATEWIDE TOTAL	<u>294,513</u>	<u>324,646</u>	<u>30,133</u>	<u>10.23%</u>

**TABLE III
UTILIZATION BY COVERAGE TYPE, MARITAL STATUS AND INCOME**

	PERCENT OF ENROLLEES	EPIC PAYMENTS	PARTICIPANT COPAYS	PARTICIPANT DEDUCTIBLES
<u>COVERAGE TYPE</u>				
FEE PROGRAM	80.8%	\$ 502,761,434	\$ 98,661,336	\$ -
DEDUCTIBLE	19.2%	\$ 77,160,485	\$ 11,654,275	\$ 44,520,955
TOTAL	<u>100.0%</u>	<u>\$ 579,921,919</u>	<u>\$ 110,315,610</u>	<u>\$ 44,520,955</u>
<u>MARITAL STATUS</u>				
MARRIED/LIVING APART	2.0%	\$ 11,744,361	\$ 2,070,251	\$ 313,046
MARRIED	32.0%	\$ 170,580,935	\$ 31,238,313	\$ 26,514,810
SINGLE	66.1%	\$ 397,596,623	\$ 77,007,046	\$ 17,693,098
TOTAL	<u>100.0%</u>	<u>\$ 579,921,919</u>	<u>\$ 110,315,610</u>	<u>\$ 44,520,955</u>
<u>ANNUAL INCOME</u>				
\$5,000 OR LESS	2.4%	\$ 13,602,763	\$ 1,768,381	\$ -
\$5,001-\$10,000	17.0%	\$ 97,219,307	\$ 17,193,554	\$ -
\$10,001-\$15,000	31.0%	\$ 192,127,888	\$ 37,419,627	\$ -
\$15,001-\$20,000	20.9%	\$ 134,673,096	\$ 26,608,967	\$ -
\$20,001-\$25,000	12.7%	\$ 75,762,265	\$ 14,517,266	\$ 9,498,112
\$25,001-\$30,000	7.3%	\$ 33,981,456	\$ 6,743,272	\$ 12,632,790
\$30,001-\$35,000	4.2%	\$ 16,897,992	\$ 3,226,603	\$ 10,136,028
\$35,001-\$40,000	2.2%	\$ 7,979,733	\$ 1,459,920	\$ 5,762,059
\$40,001-\$45,000	1.5%	\$ 4,768,146	\$ 881,453	\$ 4,089,835
\$45,001-\$50,000	0.9%	\$ 2,909,273	\$ 496,567	\$ 2,402,131
Total	<u>100.0%</u>	<u>\$ 579,921,919</u>	<u>\$ 110,315,610</u>	<u>\$ 44,520,955</u>

**TABLE IV
PARTICIPANT BENEFITS STATEMENT**

	16TH PROGRAM YEAR (Millions)	PROGRAM LIFE (Millions)
BENEFITS SUMMARY		
Payments to Pharmacies	\$ 579.9	\$2,346.3
Payments to Participants	.5	10.8
Total Benefits Paid	\$ 580.4	\$ 2,357.1
Plus: Savings from Repricing	84.0*	259.1
Benefits in Billing Process	0.6	10.3
Less: Prior Period Benefits	(0.5)**	0
Total Benefits Provided	\$ 664.5	\$ 2,626.5
FEES AND PREMIUM SUMMARY		
Fees and Premiums Paid	21.8	175.2
Plus: Prior Year Prepaid Fees	5.0	0
Less: Prepaid Fees	(5.8)	(34.5)
Net Revenue	\$ 21.0	\$ 140.7
NET BENEFITS SUMMARY		
Net Benefits Provided		
(Total Benefits Provided - Net Revenue)	\$ 643.5	\$2,485.8

* A significant increase in repricing resulted from the pharmacy reimbursement change

**Prior year end accrual not used in consolidated report

**TABLE V-A
DISTRIBUTION OF DRUGS BY VOLUME AND PRICE**

PRESCRIPTION COST	PERCENTAGE OF CLAIMS	CUMULATIVE PERCENTAGE OF CLAIMS
\$0-\$5	1.0%	1.0%
\$5-\$10	13.7%	14.7%
\$10-\$15	8.6%	23.4%
\$15-\$20	5.3%	28.7%
\$20-\$30	9.0%	37.7%
\$30-\$40	7.6%	45.3%
\$40-\$50	7.2%	52.5%
\$50-\$60	5.9%	58.4%
\$60-\$70	7.3%	65.7%
\$70-\$80	5.3%	71.0%
\$80-\$90	4.1%	75.1%
\$90-\$100	2.9%	78.0%
\$100-\$250	17.8%	95.7%
\$250-\$500	3.9%	99.6%
\$500-\$2500	0.4%	100.0%
\$2500 AND OVER	0.0%	100.0%

**TABLE V-B
DISTRIBUTION OF DRUGS PURCHASED BY PRICE**

	PERCENTAGE OF CLAIMS
UP TO \$15	23.4%
\$ 15.01-\$35	18.4%
\$ 35.01-\$55	14.0%
\$ 55.01-\$100	22.2%
OVER \$100	22.0%
Total	100.0%

**TABLE VI
300 MOST FREQUENTLY PURCHASED DRUGS**

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENT	RANK BY PAYMENT
1 FUROSEMIDE	40MG	GEN	171,777	\$778,355	149
2 LIPITOR	10MG	SS	161,051	\$14,177,934	3
3 FOSAMAX	70MG	SS	147,301	\$12,592,804	4
4 METOPROLOL TARTRATE	50MG	GEN	133,936	\$716,695	161
5 NORVASC	5MG	SS	122,921	\$6,692,005	11
6 PLAVIX	75MG	SS	110,863	\$17,023,897	1
7 HYDROCHLOROTHIAZIDE	25MG	GEN	107,970	\$382,980	277
8 FUROSEMIDE	20MG	GEN	103,221	\$419,985	258
9 ATENOLOL	50MG	GEN	98,847	\$545,097	205
10 LIPITOR	20MG	SS	85,177	\$12,050,924	6
11 CELEBREX	200MG	SS	82,291	\$9,888,099	8
12 PREVACID	30MG	SS	79,545	\$14,671,831	2
13 PROTONIX	40MG	SS	79,152	\$9,449,535	9
14 ATENOLOL	25MG	GEN	77,632	\$552,067	202
15 TOPROL XL	50MG	SS	77,575	\$1,993,589	53
16 NORVASC	10MG	SS	77,136	\$5,988,752	15
17 XALATAN	0.005%	SS	72,148	\$3,052,645	31
18 ZOCOR	20MG	SS	66,572	\$12,195,559	5
19 METFORMIN HCL	500MG	GEN	64,890	\$2,057,564	50
20 AMBIEN	10MG	SS	61,434	\$3,468,677	25
21 FOLIC ACID	1MG	GEN	58,135	\$333,445	307
22 NEXIUM	40MG	SS	57,826	\$9,993,967	7
23 PROPOXYPHENE NAPSYLATE W/APAP	100-650MG	GEN	57,314	\$792,025	146
24 GLYBURIDE	5MG	GEN	56,246	\$1,502,362	69
25 ALBUTEROL	90MCG	GEN	55,168	\$834,124	138
26 ISOSORBIDE MONONITRATE	30MG	GEN	52,559	\$1,999,282	52
27 TRIAMTERENE W/HCTZ	37.5-25MG	GEN	52,436	\$675,522	173
28 VIOXX	25MG	SS	51,411	\$5,117,152	16
29 COMBIVENT	103-18MCG	SS	50,300	\$2,062,728	48
30 TOPROL XL	100MG	SS	49,436	\$2,158,235	45
31 FLOMAX	0.4MG	SS	46,698	\$3,448,414	26
32 DIGITEK	125MCG	GEN	45,935	\$304,733	329
33 ISOSORBIDE MONONITRATE	60MG	GEN	44,192	\$1,306,386	82
34 COZAAR	50MG	SS	42,449	\$2,745,104	38
35 ALPHAGAN P	0.15%	SS	41,443	\$2,392,804	42
36 EVISTA	60MG	SS	41,439	\$4,499,912	21
37 PRAVACHOL	20MG	SS	41,397	\$4,825,531	17
38 LISINOPRIL	10MG	GEN	40,675	\$954,836	122
39 LISINOPRIL	20MG	GEN	40,563	\$1,117,571	101
40 MIACALCIN	200 U/DOSE	SS	40,551	\$2,058,845	49

TABLE VI
300 MOST FREQUENTLY PURCHASED DRUGS

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENT	RANK BY PAYMENT
41 Klor-Con M20	20MEQ	GEN	40,177	\$758,545	156
42 ZOLOFT	50MG	SS	39,876	\$3,746,308	23
43 AMBIEN	5MG	SS	38,201	\$1,805,582	61
44 RANITIDINE HCL	150MG	GEN	36,635	\$586,677	193
45 HYDROCODONE W/ACETAMINOPHEN	5-500MG	GEN	36,620	\$256,862	370
46 PRAVACHOL	40MG	SS	36,055	\$6,638,552	12
47 COSOPT	0.5-2%	SS	35,971	\$2,103,503	47
48 ACTONEL	35MG	SS	34,481	\$2,674,476	39
49 Klor-Con 10	10MEQ	GEN	33,829	\$438,130	249
50 GLUCOTROL XL	10MG	SS	33,687	\$1,230,144	92
51 ZITHROMAX	250MG	SS	33,097	\$954,421	123
52 ZOCOR	40MG	SS	32,874	\$6,115,747	14
53 GLUCOPHAGE XR	500MG	SS	32,858	\$1,420,857	73
54 ACCUPRIL	20MG	SS	32,379	\$1,431,265	72
55 ENALAPRIL MALEATE	10MG	GEN	32,341	\$1,067,021	108
56 LIPITOR	40MG	SS	31,795	\$4,708,732	20
57 PRILOSEC	20MG	BNMS	31,134	\$6,413,306	13
58 TOPROL XL	25MG	SS	31,083	\$745,626	157
59 ACCUPRIL	40MG	SS	30,977	\$1,390,299	76
60 SYNTHROID	50MCG	BNMS	30,939	\$433,722	254
61 LEVAQUIN	500MG	SS	30,437	\$1,925,665	56
62 ACETAMINOPHEN W/CODEINE	30-300MG	GEN	30,423	\$329,562	311
63 SINGULAIR	10MG	SS	30,373	\$3,220,224	29
64 ARICEPT	10MG	SS	30,327	\$4,749,836	18
65 PAXIL	20MG	BNMS	30,323	\$2,978,928	34
66 SYNTHROID	100MCG	BNMS	30,035	\$456,728	241
67 GLUCOTROL XL	5MG	SS	29,232	\$474,356	232
68 ADVAIR DISKUS	250-50MCG	SS	28,998	\$3,279,393	28
69 LANOXIN	125MCG	BNMS	28,684	\$248,269	381
70 HUMULIN N	100 U/ML	BNMS	28,658	\$1,109,651	103
71 DIOVAN	80MG	SS	28,591	\$1,655,293	65
72 VERAPAMIL HCL	240MG	GEN	28,403	\$436,090	253
73 OMEPRAZOLE	20MG	GEN	28,323	\$4,721,530	19
74 ALPRAZOLAM	0.25MG	GEN	28,313	\$145,016	538
75 ENALAPRIL MALEATE	5MG	GEN	27,997	\$807,617	144
76 SPIRONOLACTONE	25MG	GEN	27,686	\$396,142	267
77 SYNTHROID	75MCG	BNMS	27,450	\$393,787	270
78 WARFARIN SODIUM	5MG	GEN	27,255	\$479,279	230
79 ALTACE	10MG	SS	26,713	\$1,886,494	58

**TABLE VI
300 MOST FREQUENTLY PURCHASED DRUGS**

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENT	RANK BY PAYMENT
80 DETROL LA	4MG	SS	26,429	\$2,877,443	35
81 NEURONTIN	300MG	SS	26,256	\$2,408,469	41
82 DIGITEK	250MCG	GEN	26,126	\$174,417	485
83 METOPROLOL TARTRATE	100MG	GEN	25,895	\$185,530	463
84 ACIPHEX	20MG	SS	25,760	\$4,333,230	22
85 AVANDIA	4MG	SS	25,269	\$3,051,395	32
86 ATENOLOL	100MG	GEN	24,947	\$192,085	454
87 ENALAPRIL MALEATE	20MG	GEN	24,754	\$1,240,780	90
88 DIGOXIN	125MCG	GEN	24,541	\$167,345	504
89 POTASSIUM CHLORIDE	20MEQ	GEN	24,406	\$473,792	233
90 ALTACE	5MG	SS	24,377	\$1,191,107	95
91 CELEXA	20MG	SS	24,324	\$1,936,647	55
92 ATROVENT	18MCG	SS	24,161	\$992,602	119
93 ZOCOR	10MG	SS	23,979	\$2,368,422	43
94 HYDROCHLOROTHIAZIDE	12.5MG	GEN	23,937	\$312,008	322
95 DIOVAN	160MG	SS	23,199	\$1,514,663	68
96 AMOXICILLIN	500MG	GEN	23,167	\$82,792	750
97 LISINOPRIL	5MG	GEN	22,913	\$501,984	217
98 POTASSIUM CHLORIDE	10MEQ	GEN	22,874	\$278,376	347
99 ACCUPRIL	10MG	SS	22,855	\$937,634	125
100 METFORMIN HCL	1000MG	GEN	22,752	\$1,447,278	71
101 CEPHALEXIN	500MG	GEN	22,399	\$227,818	406
102 COUMADIN	5MG	BNMS	22,072	\$685,488	171
103 PREDNISONE	10MG	GEN	21,713	\$84,048	742
104 FAMOTIDINE	20MG	GEN	21,526	\$568,922	197
105 PROSCAR	5MG	SS	21,066	\$2,159,093	44
106 LISINOPRIL	40MG	GEN	21,005	\$820,008	141
107 PREMARIN	0.625MG	SS	20,917	\$659,648	175
108 ZYRTEC	10MG	SS	20,876	\$1,397,604	75
109 CIPRO	500MG	SS	20,874	\$1,455,620	70
110 ZOLOFT	100MG	SS	20,758	\$1,824,424	59
111 NORVASC	2.5MG	SS	20,189	\$1,082,347	106
112 GEMFIBROZIL	600MG	GEN	20,172	\$276,742	351
113 ARICEPT	5MG	SS	19,985	\$3,128,649	30
114 FUROSEMIDE	80MG	GEN	19,785	\$138,657	550
115 NITROQUICK	0.4MG	GEN	19,691	\$127,514	585
116 MECLIZINE HCL	25MG	GEN	19,628	\$114,317	621
117 ALLOPURINOL	300MG	GEN	19,488	\$157,180	522
118 TIMOLOL MALEATE	0.5%	GEN	19,162	\$466,083	237

**TABLE VI
300 MOST FREQUENTLY PURCHASED DRUGS**

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENT	RANK BY PAYMENT
119 NEURONTIN	100MG	SS	19,129	\$688,399	169
120 ALLOPURINOL	100MG	GEN	19,100	\$103,793	650
121 LANOXIN	250MCG	BNMS	19,088	\$163,133	513
122 AVAPRO	150MG	SS	18,980	\$1,172,608	97
123 CARBIDOPA/LEVODOPA	25-100MG	GEN	18,904	\$571,230	196
124 FLONASE	50MCG	SS	18,817	\$796,523	145
125 LOTREL	5-20MG	SS	18,692	\$1,674,507	64
126 WARFARIN SODIUM	2MG	GEN	18,543	\$374,112	285
127 GLUCOVANCE	5-500MG	SS	18,462	\$1,116,473	102
128 BEXTRA	10MG	SS	18,436	\$1,974,673	54
129 FLOVENT	110MCG	SS	18,244	\$1,006,448	116
130 LUMIGAN	0.03%	SS	18,182	\$1,284,257	85
131 AMIODARONE HCL	200MG	GEN	18,008	\$1,249,565	89
132 MECLIZINE HCL	12.5MG	GEN	17,991	\$91,372	706
133 DIOVAN HCT	160-12.5MG	SS	17,856	\$1,288,965	84
134 SEREVENT	21MCG	SS	17,753	\$1,094,710	104
135 PREDNISONE	5MG	GEN	17,690	\$52,016	958
136 AMARYL	4MG	SS	17,361	\$764,628	154
137 CELEBREX	100MG	SS	17,354	\$1,340,302	80
138 SYNTHROID	25MCG	BNMS	17,203	\$224,193	409
139 HYDROCHLOROTHIAZIDE	50MG	GEN	16,706	\$88,556	718
140 ALTACE	2.5MG	SS	16,696	\$686,927	170
141 HYZAAR	50-12.5MG	SS	16,585	\$1,018,547	114
142 GLYBURIDE	2.5MG	GEN	16,532	\$226,722	408
143 INSULIN SYRINGE	29GX0.5"	INS	16,481	\$267,657	356
144 PENTOXIFYLLINE	400MG	GEN	16,468	\$351,290	299
145 ULTRACET	37.5-325MG	SS	16,333	\$885,842	134
146 POTASSIUM CHLORIDE	10MEQ	GEN	16,303	\$203,660	434
147 TRAMADOL HCL	50MG	GEN	16,263	\$498,795	218
148 LORAZEPAM	0.5MG	GEN	16,190	\$366,680	290
149 LEVOXYL	50MCG	GEN	16,082	\$200,470	441
150 SULFAMETHOXAZOLE/TRIMETHOPRIM	800-160MG	GEN	16,042	\$65,852	848
151 ADVAIR DISKUS	100-50MCG	SS	15,991	\$1,374,887	78
152 TRIAMTERENE W/HCTZ	37.5-25MG	GEN	15,970	\$135,725	558
153 NITROGLYCERIN	0.4MG/HR	GEN	15,917	\$491,727	221
154 WARFARIN SODIUM	1MG	GEN	15,696	\$333,058	308
155 WARFARIN SODIUM	2.5MG	GEN	15,644	\$312,268	321
156 ALLEGRA	180MG	SS	15,469	\$1,260,604	88
157 PAXIL	10MG	BNMS	15,367	\$1,420,257	74

**TABLE VI
300 MOST FREQUENTLY PURCHASED DRUGS**

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENT	RANK BY PAYMENT
158 ALBUTEROL SULFATE	0.83MG/ML	GEN	15,350	\$399,029	266
159 HUMULIN 70/30	70-30 U/ML	BNMS	15,182	\$630,353	183
160 ACTOS	30MG	SS	15,120	\$3,411,123	27
161 COUMADIN	2MG	BNMS	15,053	\$491,961	220
162 SYNTHROID	125MCG	BNMS	14,964	\$254,846	375
163 MONOPRIL	10MG	SS	14,860	\$608,495	189
164 LEVOXYL	100MCG	GEN	14,760	\$191,558	455
165 ALPRAZOLAM	0.5MG	GEN	14,646	\$85,576	735
166 ZETIA	10MG	SS	14,621	\$1,271,684	87
167 HYDROCODONE W/ACETAMINOPHEN	7.5-500MG	GEN	14,614	\$177,778	476
168 AMITRIPTYLINE HCL	25MG	GEN	14,381	\$76,100	784
169 TRICOR	160MG	SS	14,236	\$1,653,827	66
170 COUMADIN	2.5MG	BNMS	14,213	\$440,561	248
171 MONOPRIL	20MG	SS	14,174	\$635,174	182
172 KLOR-CON M10	10MEQ	GEN	14,146	\$172,912	487
173 NITROGLYCERIN	0.2MG/HR	GEN	14,029	\$382,570	278
174 DILTIAZEM HCL	240MG	GEN	13,992	\$920,154	128
175 PREVACID	15MG	SS	13,987	\$2,656,413	40
176 TRIMOX	500MG	GEN	13,796	\$49,250	988
177 COREG	6.25MG	SS	13,757	\$1,300,448	83
178 HYZAAR	100-25MG	SS	13,653	\$1,147,628	98
179 DILANTIN	100MG	BNMS	13,626	\$265,406	359
180 GLIPIZIDE	5MG	GEN	13,618	\$78,358	770
181 MIRALAX		SS	13,616	\$277,739	350
182 DIAZEPAM	5MG	GEN	13,524	\$80,260	762
183 LANTUS	100 U/ML	SS	13,461	\$767,944	152
184 AVANDIA	8MG	SS	13,221	\$2,844,470	37
185 ADVAIR DISKUS	500-50MCG	SS	13,039	\$2,121,858	46
186 LEVOXYL	75MCG	GEN	12,985	\$168,260	497
187 TRUSOPT	2%	SS	12,870	\$429,056	255
188 CLARINEX	5MG	SS	12,747	\$946,593	124
189 PREDNISOLONE ACETATE	1%	GEN	12,635	\$175,108	483
190 HYDROCODONE W/ACETAMINOPHEN	7.5-750MG	GEN	12,589	\$120,141	608
191 PREDNISON	5MG	GEN	12,567	\$34,457	1172
192 CLONIDINE HCL	0.1MG	GEN	12,542	\$90,641	709
193 DOXAZOSIN MESYLATE	4MG	GEN	12,461	\$278,039	348
194 VIOXX	12.5MG	SS	12,445	\$1,281,327	86
195 FLUOXETINE HCL	20MG	GEN	12,403	\$386,949	274
196 LESCOL XL	80MG	SS	12,360	\$994,881	118

**TABLE VI
300 MOST FREQUENTLY PURCHASED DRUGS**

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENT	RANK BY PAYMENT
197 DIGOXIN	250MCG	GEN	12,324	\$83,273	748
198 CLOTRIMAZOLE/BETAMETHASONE	1-0.05%	GEN	12,261	\$379,216	281
199 DILTIAZEM HCL	180MG	GEN	12,256	\$550,282	203
200 METHOTREXATE	2.5MG	GEN	12,125	\$342,017	301
201 ACTOS	45MG	SS	12,094	\$3,005,697	33
202 COZAAR	100MG	SS	12,025	\$1,005,685	117
203 ALLEGRA	60MG	SS	11,983	\$719,932	159
204 COUMADIN	1MG	BNMS	11,895	\$411,972	261
205 PLETAL	100MG	SS	11,858	\$1,076,251	107
206 COLCHICINE	0.6MG	GEN	11,853	\$99,142	673
207 METFORMIN HCL	850MG	GEN	11,750	\$649,968	178
208 AMITRIPTYLINE HCL	10MG	GEN	11,712	\$60,903	886
209 CAPTOPRIL	25MG	GEN	11,697	\$56,342	921
210 FLOVENT	220MCG	SS	11,628	\$1,120,075	100
211 LEVAQUIN	250MG	SS	11,611	\$537,923	208
212 TIMOLOL MALEATE	0.5%	GEN	11,425	\$104,727	645
213 LOTREL	5-10MG	SS	11,375	\$906,314	131
214 SYNTHROID	88MCG	BNMS	11,269	\$167,662	501
215 LORAZEPAM	1MG	GEN	11,128	\$341,263	302
216 GLUCOPHAGE	500MG	BNMS	11,126	\$556,700	200
217 DITROPAN XL	5MG	SS	10,936	\$1,204,571	94
218 GLIPIZIDE	10MG	GEN	10,898	\$84,252	740
219 TORSEMIDE	20MG	GEN	10,862	\$388,592	273
220 GLUCOVANCE	2.5-500MG	SS	10,834	\$559,752	199
221 FOSAMAX	10MG	SS	10,811	\$1,047,655	109
222 AVAPRO	300MG	SS	10,612	\$769,671	151
223 METOCLOPRAMIDE HCL	10MG	GEN	10,583	\$81,489	756
224 TRAZODONE HCL	50MG	GEN	10,430	\$46,972	1010
225 TERAZOSIN HCL	5MG	GEN	10,400	\$526,660	212
226 LEXAPRO	10MG	SS	10,375	\$651,462	177
227 TAMOXIFEN CITRATE	10MG	GEN	10,363	\$956,264	121
228 COREG	3.125MG	SS	10,322	\$913,377	129
229 LOVASTATIN	20MG	GEN	10,312	\$490,654	223
230 CYCLOBENZAPRINE HCL	10MG	GEN	10,308	\$88,098	720
231 AMARYL	2MG	SS	10,306	\$202,832	435
232 VERAPAMIL HCL	180MG	GEN	10,223	\$178,383	475
233 MONOPRIL	40MG	SS	10,194	\$408,945	262
234 ACTOS	15MG	SS	10,162	\$1,350,983	79
235 WARFARIN SODIUM	3MG	GEN	10,111	\$161,351	517

**TABLE VI
300 MOST FREQUENTLY PURCHASED DRUGS**

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENT	RANK BY PAYMENT
236 CLONAZEPAM	0.5MG	GEN	10,111	\$136,284	557
237 BEXTRA	20MG	SS	10,045	\$1,037,405	111
238 ENALAPRIL MALEATE	2.5MG	GEN	9,998	\$229,961	404
239 TRAVATAN	0.004%	SS	9,961	\$491,078	222
240 DIOVAN HCT	80-12.5MG	SS	9,942	\$646,292	179
241 OXYBUTYNIN CHLORIDE	5MG	GEN	9,896	\$71,395	816
242 PROPOXYPHENE NAPSYLATE-APAP	100-650MG	GEN	9,841	\$135,161	561
243 DILTIAZEM HCL	120MG	GEN	9,840	\$354,239	297
244 DITROPAN XL	10MG	SS	9,835	\$1,175,026	96
245 FOSAMAX	35MG	SS	9,734	\$743,642	158
246 QUININE SULFATE	260MG	GEN	9,728	\$168,655	495
247 ZYPREXA	2.5MG	SS	9,722	\$1,812,412	60
248 PREDNISON	1MG	SS	9,674	\$119,467	610
249 COREG	12.5MG	SS	9,640	\$922,484	127
250 CARTIA XT	240MG	GEN	9,634	\$698,105	166
251 TOPROL XL	200MG	SS	9,537	\$719,320	160
252 HYDROCODONE/ACETAMINOPHEN	5-500MG	GEN	9,534	\$68,997	828
253 TAMOXIFEN CITRATE	20MG	GEN	9,482	\$1,338,265	81
254 LISINOPRIL-HCTZ	20-12.5MG	GEN	9,458	\$297,344	333
255 ZOLOFT	25MG	SS	9,334	\$825,601	140
256 PHENYTOIN SODIUM, EXTENDED	100MG	GEN	9,293	\$157,695	521
257 BETOPTIC S	0.25%	SS	9,258	\$539,152	207
258 CAPTOPRIL	50MG	GEN	9,245	\$77,221	777
259 ASACOL	400MG	SS	9,226	\$1,231,167	91
260 DETROL	2MG	SS	9,161	\$774,903	150
261 WARFARIN SODIUM	4MG	GEN	9,064	\$146,969	535
262 NASONEX	50MCG	SS	9,054	\$416,021	260
263 CIPRO	250MG	SS	9,017	\$448,340	244
264 HYDROXYZINE HCL	25MG	GEN	9,011	\$234,411	396
265 LEVOTHROID	50MCG	GEN	8,987	\$77,400	775
266 LEVOXYL	25MCG	GEN	8,985	\$100,231	664
267 SYNTHROID	150MCG	BNMS	8,945	\$155,464	528
268 NYSTATIN W/TRIAMCINOLONE	100000-0.1	GEN	8,848	\$46,486	1013
269 OCUFLOX	0.3%	SS	8,804	\$245,556	383
270 CLONIDINE HCL	0.2MG	GEN	8,737	\$75,827	786
271 EFFEXOR XR	75MG	SS	8,729	\$1,017,771	115
272 NAPROXEN	500MG	GEN	8,696	\$72,142	811
273 CARTIA XT	180MG	GEN	8,684	\$436,474	252
274 COREG	25MG	SS	8,673	\$836,233	136
275 RISPERDAL	0.5MG	SS	8,612	\$1,046,969	110

**TABLE VI
300 MOST FREQUENTLY PURCHASED DRUGS**

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENT	RANK BY PAYMENT
276 COZAAR	25MG	SS	8,603	\$504,582	216
277 PROPRANOLOL HCL	20MG	GEN	8,531	\$52,327	952
278 ZAROXOLYN	2.5MG	BNMS	8,351	\$248,994	380
279 SYNTHROID	112MCG	BNMS	8,269	\$141,676	546
280 SOTALOL	80MG	GEN	8,234	\$702,370	165
281 AGGRENOX	25-200MG	SS	8,234	\$789,110	147
282 CLARITIN	10MG	BNMS	8,232	\$959,280	120
283 DOXAZOSIN MESYLATE	2MG	GEN	8,226	\$175,944	480
284 AMOX TR/POTASSIUM CLAVULANATE	875-125MG	GEN	8,113	\$545,750	204
285 GLUCOTROL XL	2.5MG	SS	8,096	\$112,329	627
286 AZMACORT	100MCG	SS	8,080	\$406,505	263
287 IPRATROPIUM BROMIDE	0.2MG/ML	GEN	8,073	\$828,092	139
288 ACULAR	0.5%	SS	8,052	\$392,347	271
289 LABETALOL HCL	200MG	GEN	7,866	\$199,389	443
290 SEROQUEL	25MG	SS	7,822	\$666,365	174
291 MACROBID	100MG	SS	7,796	\$240,852	390
292 COUMADIN	3MG	BNMS	7,778	\$194,886	450
293 METHYLPREDNISOLONE	4MG	GEN	7,714	\$69,591	826
294 NIASPAN	500MG	SS	7,699	\$298,222	331
295 LISINOPRIL-HCTZ	20-25MG	GEN	7,663	\$240,496	391
296 LEVOTHROID	75MCG	GEN	7,566	\$71,625	813
297 PROPRANOLOL HCL	10MG	GEN	7,366	\$40,181	1094
298 LOTENSIN	20MG	SS	7,311	\$305,222	328
299 LESCOL	40MG	SS	7,303	\$460,118	240
300 ISOSORBIDE DINITRATE	20MG	GEN	7,298	\$28,969	1260

**TABLE VII
TEN MOST FREQUENTLY PURCHASED TYPES OF DRUGS
BY THERAPEUTIC CLASSIFICATION**

THERAPEUTIC CLASS	NUMBER OF CLAIMS	PERCENT OF CLAIMS	EPIC PAYMENTS	NUMBER OF PARTICIPANTS
ADRENERGIC BLOCKING AGENT	698,508	7.03%	\$16,915,957	125,216
DIURETICS	604,345	6.08%	\$4,750,522	125,423
ACE INHIBITOR	569,072	5.72%	\$21,664,382	103,383
HMG COA REDUCTASE INHIBITOR	550,588	5.54%	\$69,902,428	118,944
CALCIUM CHANNEL BLOCKING AGENT	528,734	5.32%	\$31,823,579	99,396
GASTROINTESTINAL DRUGS, MISC.	458,660	4.61%	\$61,024,831	96,431
ANTIDEPRESSANTS	340,971	3.43%	\$23,129,098	63,522
OPIATE AGONISTS	295,516	2.97%	\$11,310,354	77,229
THYROID AGENTS/HORMONES	287,734	2.89%	\$3,929,906	51,645
NON-STEROID/ANTI-INFLAM. AGENT	278,358	2.80%	\$24,279,696	78,488
TOTAL	<u>4,612,486</u>	<u>46.39%</u>	<u>\$268,730,754</u>	

**TABLE VIII
 TWENTY MOST FREQUENTLY PURCHASED DRUGS**

RANK BY CLAIMS	DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
1	FUROSEMIDE	40MG	GEN	171,777	\$ 778,355	149
2	LIPITOR	10MG	SS	161,051	\$ 14,177,934	3
3	FOSAMAX	70MG	SS	147,301	\$ 12,592,804	4
4	METOPROLOL TARTRATE	50MG	GEN	133,936	\$ 716,695	161
5	NORVASC	5MG	SS	122,921	\$ 6,692,005	11
6	PLAVIX	75MG	SS	110,863	\$ 17,023,897	1
7	HYDROCHLOROTHIAZIDE	25MG	GEN	107,970	\$ 382,980	277
8	FUROSEMIDE	20MG	GEN	103,221	\$ 419,985	258
9	ATENOLOL	50MG	GEN	98,847	\$ 545,097	205
10	LIPITOR	20MG	SS	85,177	\$ 12,050,924	6
11	CELEBREX	200MG	SS	82,291	\$ 9,888,099	8
12	PREVACID	30MG	SS	79,545	\$ 14,671,831	2
13	PROTONIX	40MG	SS	79,152	\$ 9,449,535	9
14	ATENOLOL	25MG	GEN	77,632	\$ 552,067	202
15	TOPROL XL	50MG	SS	77,575	\$ 1,993,589	53
16	NORVASC	10MG	SS	77,136	\$ 5,988,752	15
17	XALATAN	0.005%	SS	72,148	\$ 3,052,645	31
18	ZOCOR	20MG	SS	66,572	\$ 12,195,559	5
19	METFORMIN HCL	500MG	GEN	64,890	\$ 2,057,564	50
20	AMBIEN	10MG	SS	61,434	\$ 3,468,677	25
TOP 20 TOTALS				<u>1,981,439</u>	<u>\$ 128,698,994</u>	
% OF TOTALS				19.93%	22.19%	
SS=Sole Source				1,223,166	\$ 123,246,251	
GEN=Generic				758,273	\$ 5,452,743	

**TABLE IX
TOP TWENTY DRUGS BASED ON EPIC PAYMENTS**

RANK BY PAYMENT	DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY CLAIMS
1	PLAVIX	75MG	SS	110,863	\$ 17,023,897	6
2	PREVACID	30MG	SS	79,545	\$ 14,671,831	12
3	LIPITOR	10MG	SS	161,051	\$ 14,177,934	2
4	FOSAMAX	70MG	SS	147,301	\$ 12,592,804	3
5	ZOCOR	20MG	SS	66,572	\$ 12,195,559	18
6	LIPITOR	20MG	SS	85,177	\$ 12,050,924	10
7	NEXIUM	40MG	SS	57,826	\$ 9,993,967	22
8	CELEBREX	200MG	SS	82,291	\$ 9,888,099	11
9	PROTONIX	40MG	SS	79,152	\$ 9,449,535	13
10	PROCRIT	40000 U/ML	SS	3,441	\$ 6,727,151	526
11	NORVASC	5MG	SS	122,921	\$ 6,692,005	5
12	PRAVACHOL	40MG	SS	36,055	\$ 6,638,552	46
13	PRILOSEC	20MG	BNMS	31,134	\$ 6,413,306	57
14	ZOCOR	40MG	SS	32,874	\$ 6,115,747	52
15	NORVASC	10MG	SS	77,136	\$ 5,988,752	16
16	VIOXX	25MG	SS	51,411	\$ 5,117,152	28
17	PRAVACHOL	20MG	SS	41,397	\$ 4,825,531	37
18	ARICEPT	10MG	SS	30,327	\$ 4,749,836	64
19	OMEPRAZOLE	20MG	GEN	28,323	\$ 4,721,530	73
20	LIPITOR	40MG	SS	31,795	\$ 4,708,732	56
TOP 20 TOTALS				<u>1,356,592</u>	<u>\$174,742,844</u>	
% OF TOTALS				13.65%	30.13%	
SS=Sole Source				28,323	\$ 123,246,251	
GEN=Generic				758,273	\$ 5,452,743	
BNMS=Brand Name Multi source				31,134	\$ 6,413,306	

TABLE X
DISTRIBUTION OF CLAIMS AND PAYMENTS BY PHARMACY TYPE

TYPE OF PHARMACY	NUMBER ACTIVE	NUMBER OF CLAIMS	PAYMENTS TO PHARMACIES
CHAIN	2,227	6,381,876	\$ 359,737,928
CLINICAL	113	385,678	\$ 17,202,686
INDEPENDENT	1,647	3,110,399	\$ 194,567,416
MAIL ORDER	5	33,608	\$ 2,860,471
OTHER	43	30,385	\$ 5,553,417
TOTAL	<u>4,035</u>	<u>9,941,947</u>	<u>\$ 579,921,919</u>

**TABLE XI
ENROLLED PHARMACIES, CLAIMS AND PAYMENTS
BY COUNTY**

COUNTY	NUMBER OF PHARMACIES ENROLLED	NUMBER OF PAID CLAIMS	PAYMENTS TO PHARMACIES	TOTAL ENROLLMENT AS OF 9/30/03
ALBANY	63	182,021	\$ 11,025,539	5,194
ALLEGANY	13	36,287	\$ 1,984,765	1,228
BROOME	44	173,973	\$ 9,983,970	5,453
CATTARAUGUS	23	96,634	\$ 5,698,842	2,834
CAYUGA	11	57,604	\$ 3,000,849	2,019
CHAUTAUQUA	34	176,978	\$ 10,175,604	5,645
CHEMUNG	19	95,619	\$ 5,629,856	2,661
CHENANGO	12	49,115	\$ 2,686,819	1,752
CLINTON	19	63,983	\$ 4,063,416	2,041
COLUMBIA	11	56,124	\$ 3,106,253	1,864
CORTLAND	11	50,644	\$ 2,784,779	1,375
DELAWARE	12	58,715	\$ 3,647,629	1,847
DUTCHESS	57	151,752	\$ 8,579,451	4,593
ERIE	234	878,948	\$ 39,706,240	25,978
ESSEX	13	27,878	\$ 1,616,755	988
FRANKLIN	11	42,923	\$ 2,671,822	1,347
FULTON	17	82,317	\$ 4,813,245	1,968
GENESEE	13	59,073	\$ 3,210,685	1,953
GREENE	11	48,344	\$ 2,819,529	1,554
HERKIMER	15	72,505	\$ 4,108,680	2,543
JEFFERSON	25	108,601	\$ 5,580,840	3,039
LEWIS	4	25,577	\$ 1,511,702	922
LIVINGSTON	12	43,422	\$ 2,479,472	1,594
MADISON	18	47,714	\$ 3,081,099	1,633
MONROE	150	435,507	\$ 21,636,795	13,044
MONTGOMERY	15	66,188	\$ 3,686,868	2,384
NASSAU	296	793,496	\$ 49,245,632	24,109
NIAGARA	49	180,143	\$ 8,761,087	5,634
ONEIDA	54	253,277	\$ 14,150,820	6,901
ONONDAGA	97	327,462	\$ 17,193,658	9,373
ONTARIO	24	89,934	\$ 4,748,966	2,711
ORANGE	60	197,823	\$ 12,175,635	5,961
ORLEANS	9	28,865	\$ 1,349,294	1,034
OSWEGO	30	100,727	\$ 5,829,676	3,439
OTSEGO	15	62,882	\$ 3,343,192	1,850
PUTNAM	19	36,634	\$ 2,235,145	1,577
RENSSELAER	34	112,522	\$ 6,506,154	3,071
ROCKLAND	57	139,433	\$ 9,898,623	4,421
ST. LAWRENCE	20	96,528	\$ 5,581,731	3,797
SARATOGA	33	124,553	\$ 6,951,403	2,869
SCHENECTADY	41	91,965	\$ 5,005,799	813
SCHOHARIE	6	25,861	\$ 1,434,722	551
SCHUYLER	3	17,817	\$ 1,044,970	723
SENECA	6	21,051	\$ 1,178,534	2,896
STEBEN	19	81,140	\$ 5,077,841	2,351
SUFFOLK	296	698,535	\$ 45,829,581	25,203
SULLIVAN	13	42,643	\$ 2,630,049	1,842
TIOGA	7	23,304	\$ 1,199,641	1,180
TOMPKINS	15	40,602	\$ 2,179,403	1,297
ULSTER	32	113,276	\$ 6,947,281	4,058

**TABLE XI
ENROLLED PHARMACIES, CLAIMS AND PAYMENTS
BY COUNTY**

COUNTY	NUMBER OF PHARMACIES ENROLLED	NUMBER OF PAID CLAIMS	PAYMENTS TO PHARMACIES	TOTAL ENROLLMENT AS OF 9/30/03
WARREN	19	73,163	\$ 4,143,260	1,876
WASHINGTON	17	62,870	\$ 3,649,462	1,866
WAYNE	18	71,209	\$ 4,311,752	2,510
WESTCHESTER	188	438,432	\$ 27,127,568	14,467
WYOMING	8	35,348	\$ 2,081,694	1,256
YATES	6	24,581	\$ 1,468,845	832
SUBTOTAL	<u>2,358</u>	<u>7,594,527</u>	<u>\$ 432,572,920</u>	<u>237,921</u>
NEW YORK CITY:				
BRONX	228	256,146	\$ 15,410,389	10,336
KINGS	514	691,767	\$ 42,937,815	25,665
MANHATTAN	447	451,658	\$ 31,276,662	14,863
QUEENS	406	773,043	\$ 47,530,617	30,157
RICHMOND	<u>73</u>	<u>158,040</u>	<u>\$ 9,360,021</u>	<u>5,704</u>
TOTAL NYC	1,668	2,330,654	\$ 146,515,504	86,725
Out-of-State	9	16,766	\$ 833,494	-
EPIC TOTAL	<u><u>4,035</u></u>	<u><u>9,941,947</u></u>	<u><u>\$ 579,921,919</u></u>	<u><u>324,646</u></u>

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State of New York
George E. Pataki, Governor

Department of Health

State Office for the Aging